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Ontario. Royal Commission on  
Atlantic acceptance


Report

v. 4

1969







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**REPORT**  
**of**  
**THE ROYAL COMMISSION**  
**APPOINTED TO INQUIRE INTO**  
**THE FAILURE**  
**of**  
**ATLANTIC ACCEPTANCE CORPORATION**  
**LIMITED**

**THE HON. S. H. S. HUGHES**

---

**VOLUME FOUR**  
**TABLES AND APPENDICES**

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**September 12, 1969**



PRINTED AND BOUND IN CANADA



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✓ **Page 126, line 15**  
For "Wilfred"  
read "Wilfrid"

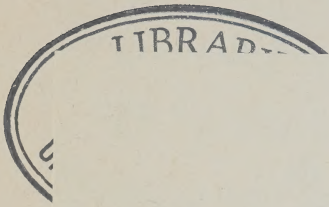
✓ **Page 867, line 35**  
For "Allan"  
read "Albert"

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PRINTED AND BOUND IN CANADA



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## EDITORIAL NOTE

Throughout the text of the report footnotes are numbered consecutively as they occur within each section under a subheading so that at the commencement of a new subheaded section the numbering reverts to number 1 in each case.

The tables referred to in the text will be found in the volume entitled "Tables and Appendices". Generally speaking the tables and the schedules contained in the text are both in structure and form exactly as entered in evidence, and where errors have been subsequently detected they have been corrected and in some cases amendments have been made for the sake of clarification.

It will be appreciated that the requirement to produce daily copy of the transcripts of evidence has led to some variations from accepted spellings and textual aberrations of other kinds. Wherever possible these have been submitted to the shorthand reporter concerned for reconsideration of his notes and the insertion of errata where necessary in the volumes of evidence. In the few instances where obvious stenographic errors have occurred, and have passed undetected in this process, the necessary changes have been made, although no alteration has been made in the sense of a passage or the language used as transcribed.

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## TABLES

TABLE 1

## ATLANTIC ACCEPTANCE CORPORATION

Condensed Consolidated Balance Sheet  
From First Annual Report June 30, 1962

(Prepared from the Published Financial Statements)

BALANCE SHEET	December 31 1964	December 31 1963	December 31 1962	December 31 1961
<b>Assets</b>				
Cash.....	\$ 910,392	\$ 825,485	\$ 418,692	\$ 341,100
Accounts receivable (net of allowance for bad debts).....	128,706,639	88,227,839	60,815,509	34,241,100
Prepaid expenses and other current.....	868,422	504,812	131,698	30,000
Total current assets.....	\$130,485,453	\$ 89,558,136	\$61,365,899	\$34,632,100
Fixed assets.....	133,682	191,678	186,994	200,000
Unamortized long term debt expense.....	746,555	628,238	323,520	120,000
Deferred branch development costs.....	450,158	322,047	154,997	87,000
Excess of investment in subsidiaries above book value.....	1,075,145	1,142,445	1,209,745	1,220,000
Other assets.....	46,736	30,659	31,831	18,000
	<u>\$132,937,729</u>	<u>\$91,873,203</u>	<u>\$63,272,986</u>	<u>\$36,308,100</u>
<b>Liabilities and shareholders' equity</b>				
Accounts payable and miscellaneous.....	\$ 645,613	\$ 396,730	\$ 743,226	\$ 461,000
Income tax payable.....	629,367	348,758	459,122	247,000
Accrued interest.....	998,328	553,879	—	—
Amounts due to dealers.....	1,098,904	706,424	324,708	395,000
Secured debt—bank advances.....	7,500,000	3,958,690	3,164,025	3,984,000
—other.....	84,967,525	59,817,275	39,943,015	17,291,000
Subordinated debt.....	14,260,993	11,151,264	6,792,160	6,933,000
Unearned interest.....	6,930,836	5,325,579	3,902,113	2,488,000
Other.....	—	—	179,614	280,000
Capital stock.....	14,455,087	8,485,791	6,909,666	3,653,000
Retained earnings.....	1,451,076	1,128,813	855,337	568,000
	<u>\$132,937,729</u>	<u>\$91,873,203</u>	<u>\$63,272,986</u>	<u>\$36,308,100</u>
<b>INCOME STATEMENT</b>				
Operating income.....	\$ 15,317,478	\$10,807,285	\$ 8,124,449	\$ 4,641,000
Less: Administration expense.....	8,437,125	6,265,720	4,832,323	2,789,000
	<u>\$ 6,880,353</u>	<u>\$ 4,541,565</u>	<u>\$ 3,292,126</u>	<u>\$ 1,852,000</u>
Interest expense.....	4,977,091	3,385,892	2,169,388	1,144,000
	<u>\$ 1,903,262</u>	<u>\$ 1,155,673</u>	<u>\$ 1,122,738</u>	<u>\$ 707,000</u>
Income before taxes.....	803,258	341,270	514,618	351,000
Provision for taxes.....	—	—	—	—
Minority interest.....	—	—	—	—
Net income earned.....	<u>\$ 1,100,004</u>	<u>\$ 814,403</u>	<u>\$ 608,120</u>	<u>\$ 356,000</u>
Dividends.....	\$ 727,741	\$ 556,263	\$ 291,671	\$ 155,000
Other reductions of earned surplus—Dr.....	66,077	(660)	39,491	51,000
Balance of earned surplus.....	<u>\$ 1,404,340</u>	<u>\$ 1,098,154</u>	<u>\$ 839,354</u>	<u>\$ 562,000</u>

# LIMITED AND SUBSIDIARY COMPANIES

## Assets and Income Statements

1954 to December 31, 1964

### Annual Reports of the Company)

				Six Month Report			
December 31 1960	December 31 1959	December 31 1958	December 31 1957	December 31 1956	June 30 1956	June 30 1955	June 30 1954
506,251	\$ 1,563,281	\$ 18,673	\$ 23,380	\$ 19,839	\$ 33,295	\$ 35,345	\$ 3,173
936,989	9,279,695	3,240,069	3,227,382	2,181,921	1,403,867	1,054,053	1,226,202
31,072	16,566	2,470	1,478	7,018	1,372	5,830	734
474,312	\$10,859,542	\$3,261,212	\$3,252,240	\$2,208,778	\$1,438,534	\$1,095,228	\$1,230,109
106,962	53,580	13,332	10,681	11,172	11,029	7,076	5,889
18,050	22,902	19,410	22,254	18,500	19,000	19,800	—
—	—	—	—	—	—	—	—
236,208	234,436	9,621	9,621	9,621	—	—	—
8,188	18,870	13,475	13,397	13,369	97,466	13,119	13,000
843,720	\$11,189,330	\$3,317,050	\$3,308,193	\$2,261,440	\$1,566,029	\$1,135,223	\$1,248,998
249,420	\$ 123,677	\$ 15,886	\$ 20,596	\$ 7,765	\$ 87,131	\$ 22,933	\$ 5,962
215,299	116,756	25,949	15,591	9,279	10,750	2,800	2,924
—	—	—	—	—	—	—	—
273,959	232,033	89,807	65,417	61,188	45,370	38,810	50,146
498,655	2,887,393	\$1,258,284	1,415,421	1,380,000	675,000	340,000	792,202
939,774	2,659,214	469,954	845,570	—	—	—	—
803,518	3,115,337	300,000	300,000	300,000	300,000	300,000	—
837,229	703,513	160,997	255,058	132,367	97,063	86,982	143,992
42,834	22,257	3,406	4,429	2,220	2,280	2,300	50
566,391	1,114,265	914,265	339,500	339,500	330,000	330,000	247,281
416,641	214,885	78,502	46,611	29,121	18,435	11,398	6,441
843,720	\$11,189,330	\$3,317,050	\$3,308,193	\$2,261,440	\$1,566,029	\$1,135,223	\$1,248,998
696,006	\$ 1,286,830	\$ 502,819	\$ 394,554	\$ 187,014	\$ 215,031	\$ 191,940	\$ 109,780
510,203	703,416	275,773	214,250	115,446	135,029	126,181	68,197
185,803	\$ 583,414	\$ 227,046	\$ 180,304	\$ 71,568	\$ 80,002	\$ 65,759	\$ 41,583
609,061	268,048	138,832	120,125	45,892	43,066	39,235	22,959
576,742	\$ 315,366	\$ 88,214	\$ 60,179	\$ 25,676	\$ 36,936	\$ 26,524	\$ 18,624
284,693	151,658	39,823	26,190	7,180	13,400	7,200	3,924
21,625	10,825	—	—	—	—	—	—
270,424	\$ 152,883	\$ 48,391	\$ 33,989	\$ 18,496	\$ 23,536	\$ 19,324	\$ 14,700
40,791	\$ 16,500	\$ 16,500	\$ 16,500	\$ 8,250	\$ 16,500	\$ 14,417	\$ 8,209
30,340	1,000	78	27	(302)	112	68	50
412,703	\$ 213,410	\$ 78,027	\$ 46,214	\$ 28,752	\$ 18,204	\$ 11,280	\$ 6,441



**TABLE 2**

ATLANTIC ACCEPTANCE CORPORATION LIMITED IN RECEIVERSHIP  
AND SUBSIDIARY COMPANIES  
MONTREAL TRUST COMPANY RECEIVER  
(INCORPORATED UNDER THE CORPORATIONS ACT ONTARIO)

CONSOLIDATED BALANCE SHEET AS AT JUNE 17, 1965  
PREPARED WITHOUT AUDIT

**ASSETS**

CASH ON HAND .....	\$ 1,320,866
NOTES AND ACCOUNTS RECEIVABLE LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS \$6,353,885 .....	149,188,872
INCOME TAXES RECOVERABLE .....	55,6321
PREPAID EXPENSES AND OTHER ASSETS .....	963,385
EQUIPMENT AND LEASEHOLD IMPROVEMENTS AT COST LESS ACCUMULATED DEPRECIATION AND AMORTIZATION, \$158,495 .....	203,482
UNAMORTISED LONG-TERM DEBT FINANCING EXPENSES .....	1,080,497
UNAMORTISED COST OF DEVELOPING NEW BRANCHES .....	494,385
UNAMORTISED COST OF INVESTMENT IN SUBSIDIARY COMPANIES IN EXCESS OF BOOK VALUE AT DATE OF AQUISITION .....	1,002,118
TOTAL .....	<u>\$ 154,809,926</u>

**LIABILITIES**

BANK OVERDRAFT .....	\$ 969,869
ACCOUNTS PAYABLE AND ACCRUED CHARGES .....	1,075,306
DIVIDENDS PAYABLE .....	249,430
AMOUNTS DUE TO DEALERS PENDING COLLECTION OF ACCOUNTS .....	1,388,528
INCOME TAXES .....	470,306
OTHER LIABILITIES .....	501,000
SENIOR DEBT .....	106,863,340
SUBORDINATED DEBT .....	16,798,820
JUNIOR SUBORDINATED DEBT .....	<u>4,351,679</u>
	137,177,278
UNEARNED INTEREST .....	<u>7,535,829</u>
SHAREHOLDERS' EQUITY:	
CAPITAL STOCK .....	14,455,087
DEFICIT .....	<u>4,358,268</u>
TOTAL SHAREHOLDERS' EQUITY .....	10,096,819
TOTAL .....	<u>\$ 154,809,926</u>

TABLE 3

# ATLANTIC ACCEPTANCE CORPORATION LIMITED

## LOAN AND INVESTMENT POSITION

AT JUNE 17 1965

(\$'000's)

	ACCOUNTS RECEIVABLE	UNEARNED INTEREST AND AMOUNTS DUE TO DEALERS	NET AMOUNTS LOANED
	\$60,589	\$5,334	\$55,455
ATLANTIC ACCEPTANCE CORPORATION			
\$1,984			
ALL 100% OWNED			
\$86,046			
FINANCE LOANS TO THE PUBLIC			
ATLANTIC FINANCE CORPORATION	35,692	2,053	33,639
PREMIER FINANCE CORPORATION	2,392	76	2,316
STANDARD DISCOUNT CORPORATION	4,032	168	3,864
ATLANTIC ACCEPTANCE (TORONTO)	303		302
PAY AS YOU STUDY PLAN LTD.	3	0	3
CONCOURSE AGENCIES LTD.	0	0	0
COMMODORE SALES ACCEPTANCE	36,568	672	35,896
COMMODORE FACTORS LIMITED	11,090	338	10,752
ADELAIDE ACCEPTANCE LIMITED	4,872	482	4,390
TOTAL GROUP LOAN BALANCES	\$155,541	\$8,924	\$146,617
LESS: ALLOWANCE FOR BAD DEBTS	6,353		
NET BOOK VALUE OF CONSOLIDATED ACCOUNTS RECEIVABLE	\$149,188		

**TABLE 4**

**ATLANTIC FINANCE CORPORATION LIMITED**

**LOAN AND INVESTMENT POSITION**

**AT JUNE 17, 1965**

**(\$ 000s)**



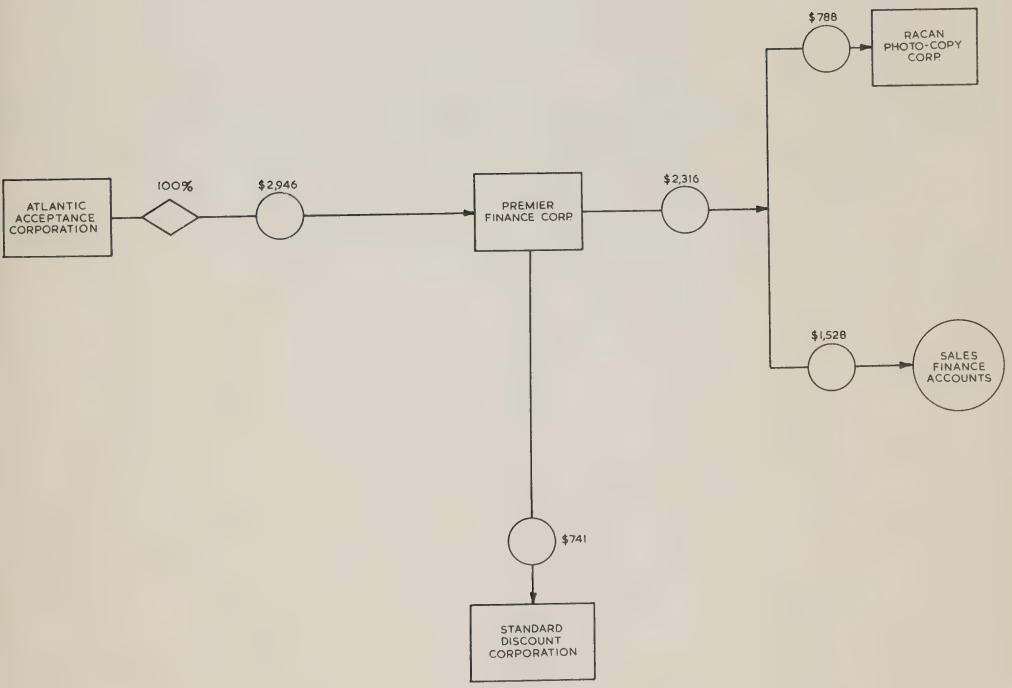
**LEGEND:**

—○— AMOUNTS RECEIVABLE

—◇— SHARE OWNERSHIP IN SUBSIDIARIES

TABLE 5

PREMIER FINANCE CORPORATION LIMITED  
LOAN AND INVESTMENT POSITION  
AT JUNE 17, 1965  
(\$ 000's)



LEGEND:

○ → AMOUNTS RECEIVABLE

◇ → SHARE OWNERSHIP IN SUBSIDIARIES



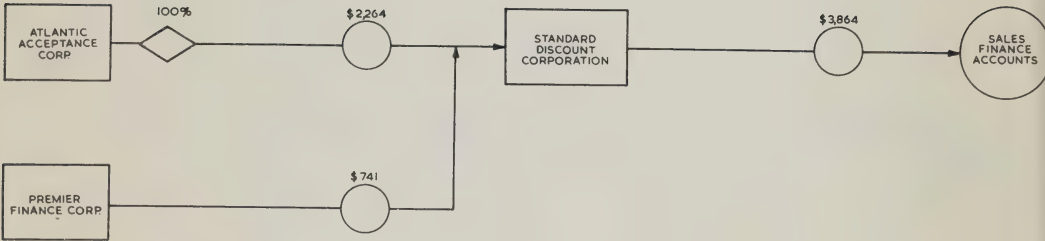
TABLE 6

STANDARD DISCOUNT CORPORATION LIMITED

LOAN AND INVESTMENT POSITION

AT JUNE 17, 1965

(\$ 000's)



LEGEND:

- AMOUNTS RECEIVABLE
- SHARE OWNERSHIP IN SUBSIDIARIES

TABLE 7

ATLANTIC ACCEPTANCE (TORONTO) LIMITED  
LOAN AND INVESTMENT POSITION  
AT JUNE 17, 1965  
(\$000's)

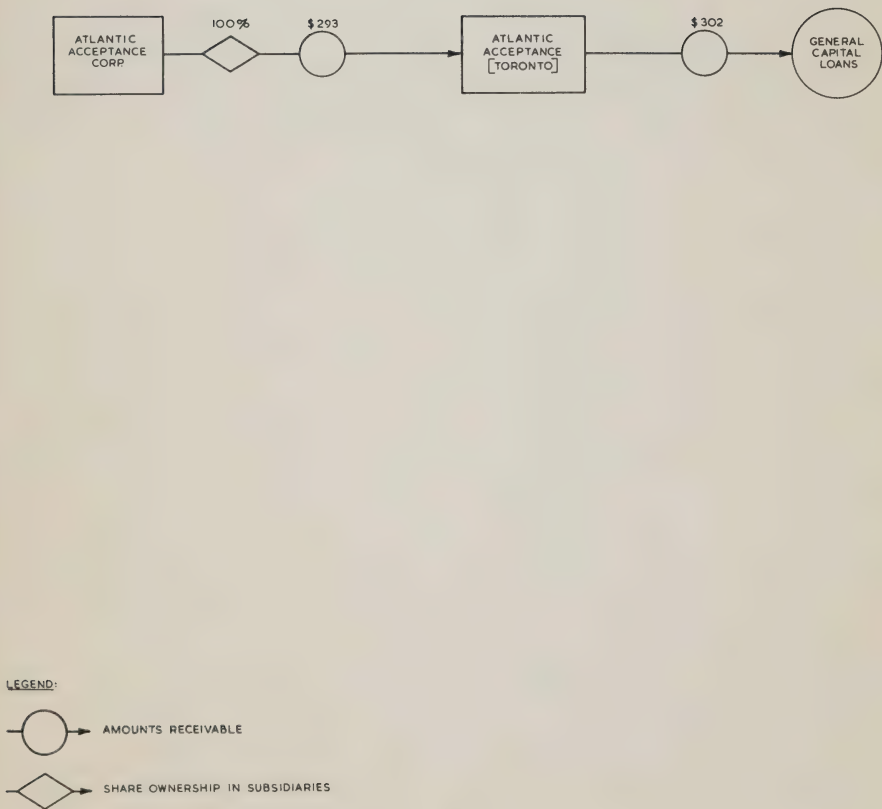


TABLE 8

PAY AS YOU STUDY PLAN LIMITED  
LOAN AND INVESTMENT POSITION  
AT JUNE 17, 1965  
(\$'000's)

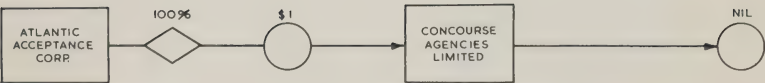


LEGEND:

- AMOUNTS RECEIVABLE
- ◇→ SHARE OWNERSHIP IN SUBSIDIARIES

TABLE 9

CONCOURSE AGENCIES LIMITED  
LOAN AND INVESTMENT POSITION  
AT JUNE 17, 1965  
(\$000's)



LEGEND:

—○— AMOUNTS RECEIVABLE

—◇— SHARE OWNERSHIP IN SUBSIDIARIES



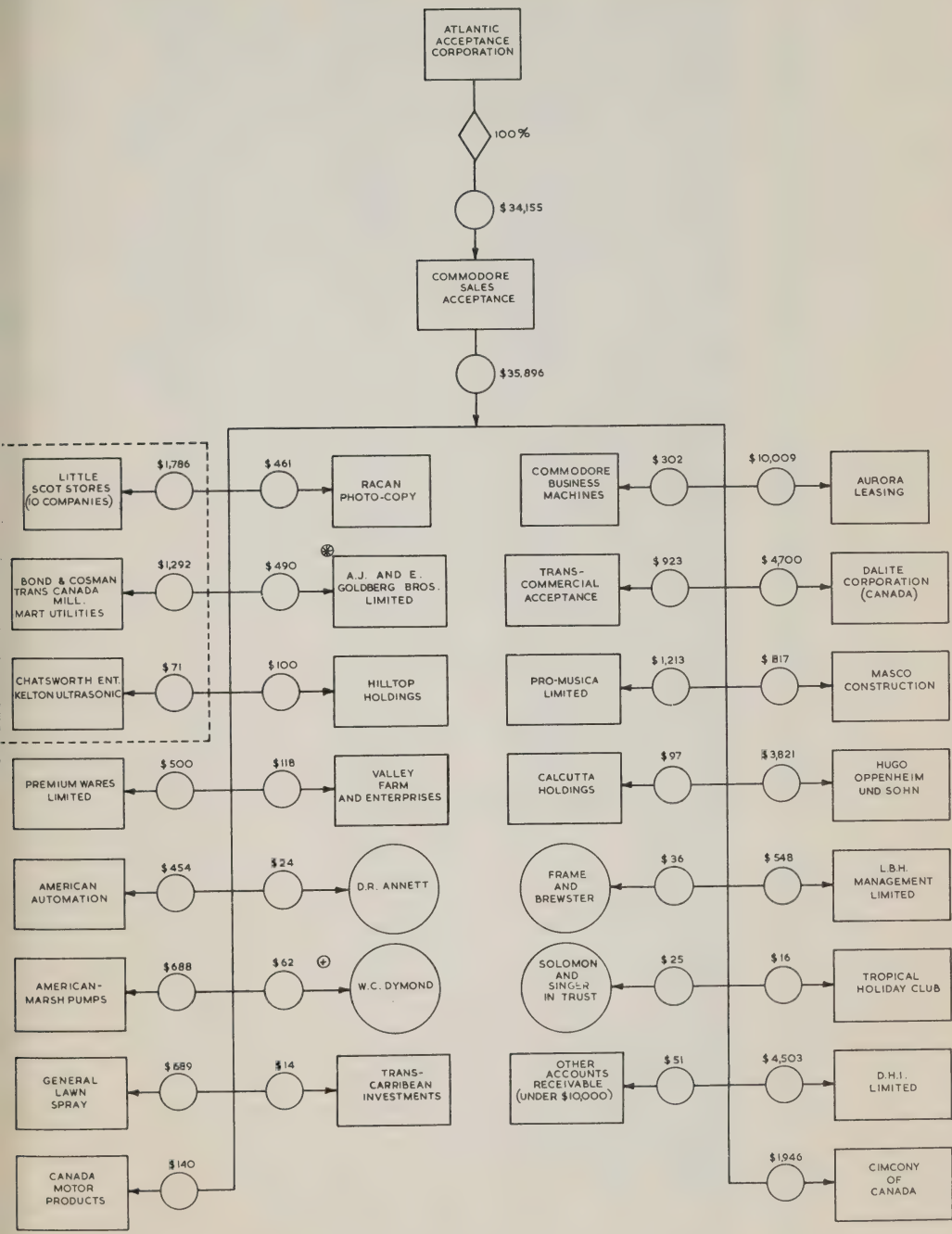


COMMODORE SALES ACCEPTANCE LIMITED

LOAN AND INVESTMENT POSITION

AT JUNE 17 1965

(\$ 000's)



COMMODORE SALES APPEARS TO HAVE COMPLETE CONTROL AND OWNERSHIP OF THIS COMPANY  
THE PROPERTY MORTGAGED HAS BEEN FORECLOSED UPON AND COMMODORE HAS THE RIGHT OF SALE

TABLE 11

COMMODORE SA

## History of Accounts Receiv

(Net of Holdba

		December 31 1969	December 1968
1.	Aurora Leasing Corporation Limited	\$ —	\$ 207,0
2.	Cimcomy of Canada Limited	—	—
3.	Dalite Corporation (Canada) Limited	—	—
4.	D. H. I. Limited	—	—
5.	Pro Musica Limited	—	—
6.	American-Marsh Pumps (Canada) Limited	—	388,2
7.	American Automation (Canada) Limited	43,316.06	111,6
8.	Furniture Sales Registered	—	—
9.	General Lawn Spray Limited	—	—
10.	Mart Utilities Limited	—	—
11.	Racan Photo-Copy Corporation Limited	—	—
12.	Trans Canada Millinery Limited	—	—
13.	Trans Commercial Acceptance Limited	—	—
14.	Commodore Business Machines (Canada) Limited	—	—
15.	Masco Construction Company Limited	320,574.29	789,2
16.	Anglo Discount Sales Limited	—	—
17.	D. R. Annett	—	—
18.	Calcutta Holdings Limited	—	—
19.	(Canada Motor Products Limited	—	42,6
	(Canada Motor Products (Toronto) Limited—(Gassem)	—	117,7
20.	Canadian Dynamics Limited	—	—
21.	Bond & Cosman Limited	—	—
22.	Canadian Nevil Enterprises Limited	—	—
23.	Celtic Discount Stores Limited	125,714.73	189,4
24.	Chatsworth Enterprises Limited	—	—
25.	W. C. Dymond	—	—
26.	J. Frame and J. Brewster	—	—
27.	Royalite Hospital Services and Supplies Limited	—	30,5
28.	Frontier Steel Inc.	—	10,6
29.	Pearlsound Distributors Limited	4,772.76	9,9
30.	Golburn Discount Sales Limited	—	—
31.	Hastings Construction Company (Canada) Limited	—	—
32.	Hilltop Holdings Limited	—	—
33.	Jumbo Discount Sales Limited	—	—
34.	Kelton Ultrasonics Limited	—	—
35.	J. W. Kentish, Jr.	—	—
36.	M-Dee Surgical Supply Company Limited	—	—
37.	Mart Buying Services Limited	—	1,8
38.	Preston Lake Discount Stores Limited	—	—
39.	Province-Wide Stores Limited	—	—
40.	Saxon Discount Stores Limited	—	—
41.	Seven Crown Motel (A. J. & E. Goldberg Brothers Limited)	—	—
42.	Solomon and Singer (in Trust)	—	—
43.	Spadina Discount Stores Limited	—	—
44.	Toronto Playfair Ltd.	—	—
45.	Trans Caribbean Investments Limited	—	—
46.	Highlight Distributors Limited	—	—
47.	L. F. Winchell	—	—
48.	True Promotions Inc.	—	—
49.	National Cordage Company Limited	—	—
50.	American Metropolitan Enterprises Limited	—	—
51.	Fenix Manufacturing	—	—
52.	McKee Bros. Limited	—	—
53.	Tropical Holiday Club Limited	54,720.00	38,00
54.	Valley Farm and Enterprises Limited	—	—
55.	Corporate Plan Leasing Limited	—	—
56.	Halvan Equipment	—	—
57.	Macardan Investments Limited	—	—
58.	Dealers' Interest Receivable	—	—
59.	Interest Receivable—British Mortgage	2,072.47	3,90
60.	John Belli Operations Limited re Old Angelo's	—	—
61.	Edward Boyer	11,005.93	—
62.	Caprin Limited	—	—
63.	Clare's Sportswear	27,188.01	45,13
64.	Cotton Jenny Ltd.	—	—
65.	R. W. Devine, Jr.	—	—
66.	Eleanor Importing	—	—
67.	Frank Tool and Die Co.	34,694.26	20,78
68.	Jack Genter	—	—
69.	Gregory & Palmer	—	—
70.	Malan Construction	—	—
71.	Ruth Morgan	—	—
72.	P. J. Murray, C.A.	—	—
73.	J. R. Shemilt	—	—
74.	K. G. Telford	—	—
75.	True Promotions Sales	—	88
76.	Valley Music Co. Ltd.	—	8,554
77.	E. Last and J. Goldberg	118,354.80	—
78.	J. C. Fuller Mfg. Co.	—	—
79.	Kelvin Thompson	—	—
80.	Richardson Construction	—	—
81.	Modern Hospital Equipment Designs Inc.	—	—
82.	Co-Ad Company Inc.	—	—
83.	L. B. H. Management Company Limited	—	—
84.	Hugo Oppenheim und Sohn Nachf.	—	—
85.	Premiumwares Limited	—	—
86.	Hardwood Importers	—	—
87.	A. M. Lount and Assoc.	—	4,725
88.	Harvey Construction	—	2,525
89.	Kraus Carpet Mills	—	8,210
90.	Herald Superior Office Equipment Inc.	—	3,835
	Sub-Total	\$742,413.31	\$2,035,451
	To reconcile with financial statements	(.31)	( )
	Total per financial statements	\$742,413.00	\$2,035,451

# CEPTANCE LIMITED

From Inception in 1959 to June 17, 1965

(Unearned Interest)

Number \$1 1961	December 31 1962	December 31 1963	December 31 1964	June 17 1965	
13,572.61	\$ 4,595,775.24	\$ 4,539,338.77	\$ 8,825,244.43	\$10,008,603.41	.1
—	—	955,073.20	1,822,135.90	1,945,535.40	.2
16,132.84	1,280,339.11	1,354,618.64	7,335,827.59	4,700,158.59	.3
15,011.95	685,718.84	2,351,190.29	3,968,450.18	4,503,396.29	.4
31,287.67	1,070,333.87	1,089,334.94	1,139,432.98	1,213,013.95	.5
14,427.58	301,234.57	501,213.30	631,191.80	687,782.92	.6
—	16,638.92	76,976.77	426,605.62	454,245.94	.7
—	142,927.81	154,514.60	291,915.60	375,126.30	.8
—	—	17,751.84	434,471.22	689,252.77	.9
—	16,000.00	588,101.52	422,250.50	438,813.95	.10
—	—	—	240,853.84	461,188.72	.11
15,000.00	517,394.57	455,381.13	472,559.10	491,096.08	.12
—	—	917,830.34	286,875.37	923,455.88	.13
14,553.38	333,563.41	444,333.71	359,170.11	302,265.18	.14
—	—	—	810,298.31	817,427.63	.15
—	—	—	112,138.61	122,951.53	.16
—	—	40,000.00	55,945.28	24,417.15	.17
17,124.47	77,356.77	80,034.50	93,000.00	96,852.48	.18
10,516.53	42,223.29	42,239.11	42,239.11	42,239.11	.19
—	190,000.00	160,000.00	145,000.00	97,500.00	.20
—	—	2,278.43	3,099.65	3,099.65	.21
50,000.00	487,893.00	519,893.82	64,719.47	362,009.58	.22
6,302.07	6,251.13	—	5,373.68	5,744.64	.23
—	—	—	143,806.31	155,629.54	.24
—	—	—	26,337.19	36,690.04	.25
—	53,128.99	51,682.70	61,767.29	61,596.70	.26
30,000.00	30,000.00	30,000.00	34,221.36	35,547.77	.27
26,264.36	19,588.04	22,367.77	4.00	4.00	.28
9,983.82	10,058.52	1.00	1.00	1.00	.29
—	189,657.56	173,972.52	135,416.80	759.40	.30
—	—	—	159,132.11	163,104.17	.31
15,590.00	9,674.66	1.00	1.00	1.00	.32
50,000.00	100,000.00	100,000.00	100,100.00	100,419.18	.33
—	—	—	171,914.40	186,648.28	.34
—	—	—	31,500.68	34,671.59	.35
—	14,825.00	15,000.00	15,000.00	5,075.00	.36
13,858.46	15,615.95	17,074.70	1.00	1.00	.37
—	—	—	—	190,353.54	.38
—	—	—	191,089.68	201,317.36	.39
—	—	—	164,890.06	191,434.42	.40
—	—	—	136,809.48	149,735.63	.41
—	—	107,143.16	111,233.94	114,994.70	.42
—	—	25,000.00	25,000.00	25,000.00	.43
—	—	—	161,574.15	171,769.55	.44
—	—	—	15,330.00	—	.45
—	—	15,262.74	(584.99)	13,709.87	.46
—	—	—	23,116.20	252,882.39	.47
6,060.00	6,120.00	4,743.00	3,009.00	—	.48
—	—	—	(14.00)	(13.00)	.49
—	—	28,302.37	51,204.11	3,024.80	.50
41,250.13	20,628.45	5,150.00	838.70	671.12	.51
—	—	—	77.88	77.88	.52
78,269.96	40,395.76	10,974.40	562.88	562.28	.53
—	—	—	13,000.00	15,500.00	.54
57,492.08	156,173.20	138,444.32	124,178.87	118,175.15	.55
92,837.75	215,672.73	86,562.43	20,999.60	4,814.91	.56
4,944.82	4,029.72	2,989.79	2,413.21	—	.57
40,950.60	121,163.95	75,179.20	24,659.68	8,396.49	.58
6,192.55	45,450.89	58,672.14	—	—	.59
6,432.03	—	—	—	—	.60
—	—	—	—	—	.61
—	1,020.00	—	—	—	.62
—	—	—	—	—	.63
14,553.15	24,081.22	29,951.97	—	—	.64
—	7,135.83	—	—	—	.65
—	35,525.00	—	—	—	.66
20,082.06	—	—	—	—	.67
4,960.00	—	—	—	—	.68
25,267.12	20,868.36	—	—	—	.69
32,000.00	—	—	—	—	.70
—	38,040.00	28,573.40	—	—	.71
520.31	163.27	—	—	—	.72
—	1,024.00	—	—	—	.73
15,546.69	15,500.00	9,544.50	—	—	.74
418.69	—	—	—	—	.75
17,208.70	16,940.72	1.00	—	—	.76
—	—	—	—	7,684.31	.77
15,273.80	—	—	—	—	.78
980.57	—	—	—	—	.79
699.88	—	—	—	—	.80
42,952.23	—	—	—	—	.81
6,710.80	—	—	—	2,293.16	.82
—	—	—	—	547,820.93	.83
—	—	—	—	3,820,596.16	.84
—	—	—	—	499,534.10	.85
—	—	6,929.17	—	—	.86
—	—	—	—	—	.87
—	—	—	—	—	.88
—	—	—	—	—	.89
—	—	—	—	—	.90
531,229.66	\$10,976,132.35	\$15,373,628.19	\$29,937,389.94	\$35,886,661.57	
10.34	(2,338.35)	(4.19)	(6,100.94)	9,287.43	
531,240.00	\$10,973,794.00	\$15,373,624.00	\$29,931,289.00	\$35,895,949.00	



TABLE 12

## COMMODORE SALES ACCEPTANCE LIMITED

Condensed Comparative Balance Sheets and Income Statements  
December 31, 1959 to 1964 and June 17, 1965

(Prepared from the Financial Statements of the Company without verification)

BALANCE SHEET						
Assets	1964	1963	1962	1961	1960	1959
Cash.....	\$ 1,236,764	\$ 241,051	\$ 67,336	\$ 189,367	\$ 136,345	\$ 60,087
Accounts receivable — total	30,448,480	15,609,173	11,347,603	5,986,361	2,096,028	821,379
Allowance for doubtful accounts	(848,534)	(342,713)	(285,918)	(146,000)	(33,000)	—
Notes receivable — Atlantic Acceptance.....	—	—	1,077,500	—	—	—
Other assets.....	21,389	22,370	30,204	116,682	14,294	6,375
	<u>\$31,028,099</u>	<u>\$15,529,881</u>	<u>\$12,236,725</u>	<u>\$ 6,146,410</u>	<u>\$ 2,213,667</u>	<u>\$ 887,841</u>
Liabilities and shareholders' equity						
Demand notes — Atlantic Acceptance.....	\$28,544,507	\$14,081,713	\$ 9,675,000	\$ 4,235,250	\$ 700,000	\$ 100,000
Bank loan (or outstanding cheques).....	750,000	—	1,077,500	97,904	179,896	103,048
Other liabilities.....	72,869	83,513	221,660	183,659	65,317	65,317
Unearned interest and dealers' holdbacks.....	517,191	295,569	211,686	437,557	60,577	73,433
Long term convertible debentures—Atlantic Acceptance.....	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	500,000
Shareholders' equity.....	143,502	129,106	50,869	123,834	89,535	46,043
	<u>\$31,028,099</u>	<u>\$15,529,881</u>	<u>\$12,236,725</u>	<u>\$ 6,146,410</u>	<u>\$ 2,213,667</u>	<u>\$ 887,841</u>
INCOME STATEMENT						
Interest earned.....	\$ 2,299,255	\$ 1,437,122	\$ 790,085	\$ 570,593	\$ 213,989	\$ 57,329
Interest on notes — Atlantic Acceptance.....	\$ 1,486,337	\$ 919,078	\$ 427,817	\$ 222,564	\$ 63,910	\$ 12,110
Interest on bank loan.....	14,127	32,854	27,920	2,834	8,303	7,146
Provision for doubtful accounts.....	170,000	375,000	160,000	113,500	33,000	—
Financial advisory fees.....	56,667	122,867	134,667	112,000	44,118	—
Other expenses.....	25,981	59,642	40,441	48,741	17,390	6,524
	<u>\$ 1,256,713</u>	<u>\$ 2,060,938</u>	<u>\$ 785,845</u>	<u>\$ 490,139</u>	<u>\$ 134,921</u>	<u>\$ 25,780</u>
Profit before tax.....	\$ 177,122	\$ 238,317	\$ 745,440	\$ 71,454	\$ 79,068	\$ 31,549
Provision for income taxes.....	—	123,922	2,205	37,156	9,155	—
	<u>\$ 177,122</u>	<u>\$ 78,237</u>	<u>\$ 2,035</u>	<u>\$ 34,298</u>	<u>\$ 45,203</u>	<u>\$ 22,394</u>
Net income earned.....						

# COMMODORE FACTORS LIMITED

## LOAN AND INVESTMENT POSITION

AT JUNE 17, 1965

(U.S. \$ 000's)

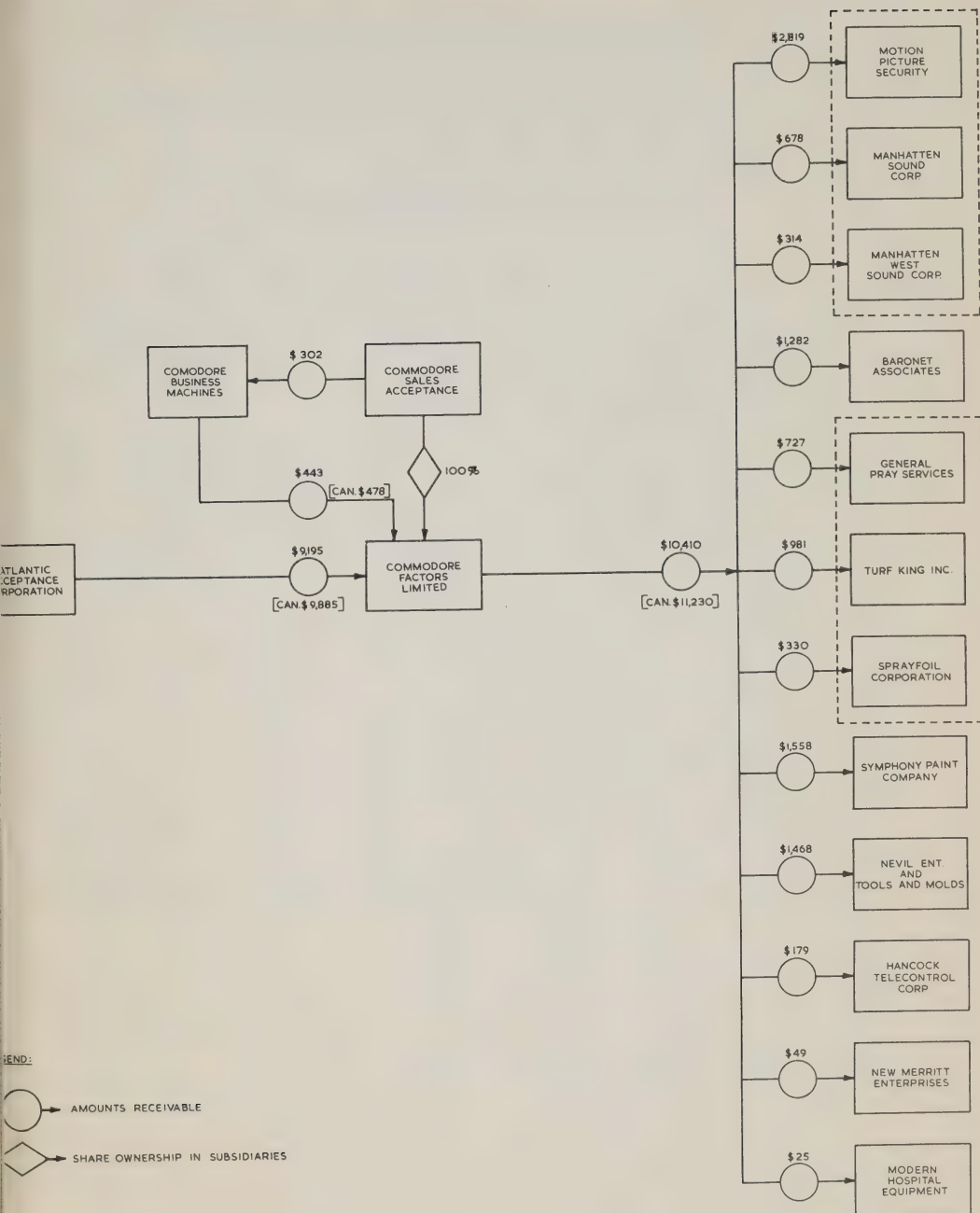


TABLE 14

## COMMODORE FACTORS LIMITED

**History of Accounts Receivable  
from Inception in 1961 to June 17, 1965  
(in U.S. Funds)**

(Net of Holdbacks and Unearned Interest)

	December 31 1961	December 31 1962	December 31 1963	December 31 1964	June 17 1965
1. Aurora Leasing Corporation Limited.....	—	\$ 5,000	—	—	—
2. Baronet Associates Inc.....	—	—	—	\$1,119,142	\$1,282,400
3. Analogue Controls, Inc.....	—	—	\$ 615,461	—	—
4. Commodore Business Machines (Canada) Ltd. and Subsidiary and Associated Companies.....	\$ 588,831	1,055,388	502,327	(435,000)	(442,902)
5. General Spray Service, Inc.....	—	536,884	1,265,534	1,304,790	726,721
6. Sprayfoil Corporation.....	—	—	138,092	205,042	330,002
7. Turf Kings Inc.....	—	—	—	224,070	981,448
8. Hancock Telecontrol Corporation.....	—	271,860	582,368	246,833	178,646
9. Manhattan Sound Corporation and Man- hattan West Sound, Inc.....	—	156,500	474,140	903,308	992,012
10. Motion Picture Security Corporation.....	—	—	—	271,571	2,818,791
11. Nevil Enterprises, Inc./Nevil Plastics Limited.....	536,971	549,312	512,406	879,280	1,006,887
12. Jacroy Company/Symphony Paint Company.....	125,000	663,007	984,320	1,322,970	1,557,692
13. Tools & Molds, Inc.....	—	—	403,434	435,075	461,022
14. New Merritt Enterprises Inc.....	—	—	40,000	46,696	48,537
15. Modern Hospital Equipment Designs Ltd..	—	80,732	80,861	25,503	25,503
16. Cook-Eden Farms Inc.....	—	9,068	612	1	1
17. Monarch Alloy Steel Inc.....	3,243	523	—	—	—
18. S. Pelson & M. Weintraub.....	6,400	6,208	3,437	2	2
19. Castle Kraut Inc.....	—	36,720	—	—	—
20. N. J. Schwab.....	3,000	—	—	—	—
Dealers interest receivable.....	5,824	24,868	37,095	—	—
To reconcile with financial statements.....	—	5,520	(711)	—	(31,594)
Totals per financial statements.....	<u>\$1,269,269</u>	<u>\$3,401,590</u>	<u>\$5,639,376</u>	<u>\$6,549,283</u>	<u>\$9,935,168</u>

TABLE 15

COMMODORE FACTORS LIMITED

Condensed Comparative Balance Sheets and Income Statements  
December 31, 1961 to 1964 and June 17, 1965

(Prepared from the Financial Statements of the Company without verification)

	June 17, 1965	Expressed in Canadian Funds			
	(U.S. Dollars)	1964	1963	1962	1961
BALANCE SHEET					
Assets					
Cash.....	\$ 39,189	\$ 301,907	\$ 318,347	\$ 175,617	\$ 137,279
Accounts receivable—total.....	10,247,754	7,471,211	6,649,345	4,105,052	1,429,206
Allowance for doubtful accounts.....	(160,890)	(172,756)	(178,303)	(16,163)	—
Other assets.....	833	934	1,073	—	—
	<u>\$10,126,886</u>	<u>\$7,601,296</u>	<u>\$6,790,462</u>	<u>\$4,264,506</u>	<u>\$1,566,485</u>
Liabilities and shareholders' equity					
Demand notes—Atlantic Acceptance.....	\$ 9,194,949	\$6,590,222	\$5,785,000	\$3,525,000	\$1,233,254
—Commodore sales.....	—	—	—	—	93,920
Bank loan (or outstanding cheques).....	—	—	—	—	15,121
Other liabilities.....	219,854	259,552	218,893	178,423	53,678
Unearned interest and dealers' holdbacks...	312,586	439,830	551,604	390,054	148,124
Shareholders' equity.....	399,497	311,692	234,965	171,029	22,388
	<u>\$10,126,886</u>	<u>\$7,601,296</u>	<u>\$6,790,462</u>	<u>\$4,264,506</u>	<u>\$1,566,485</u>
INCOME STATEMENT					
Interest earned.....	\$ 370,057	\$ 675,759	\$ 577,030	\$ 358,013	\$ 110,636
Interest on notes—Atlantic Acceptance.....	\$ 269,415	\$ 435,847	\$ 291,230	\$ 152,350	\$ 41,532
Interest on bank loan.....	—	—	—	1,318	—
Provision for doubtful accounts.....	—	55,000	162,094	16,163	—
Financial advisory fees.....	—	—	—	16,000	—
Other expenses.....	16,406	17,999	4,712	13,172	14,848
Exchange on Canadian funds—loss.....	—	30,834	—	153,708	—
—gain.....	(23,599)	—	—	(208,069)	—
	<u>\$ 262,222</u>	<u>\$ 539,680</u>	<u>\$ 458,036</u>	<u>\$ 143,640</u>	<u>\$ 56,380</u>
Profit before tax.....	\$ 107,835	\$ 136,079	\$ 118,994	\$ 214,373	\$ 54,256
Provision for income taxes.....	—	60,960	55,059	105,933	41,868
Net income earned.....	<u>\$ 107,835</u>	<u>\$ 75,119</u>	<u>\$ 63,935</u>	<u>\$ 108,440</u>	<u>\$ 12,388</u>



TABLE 16

ADELAIDE ACCEPTANCE LIMITED  
LOAN AND INVESTMENT POSITION  
AT JUNE 17, 1965  
(\$'000's)

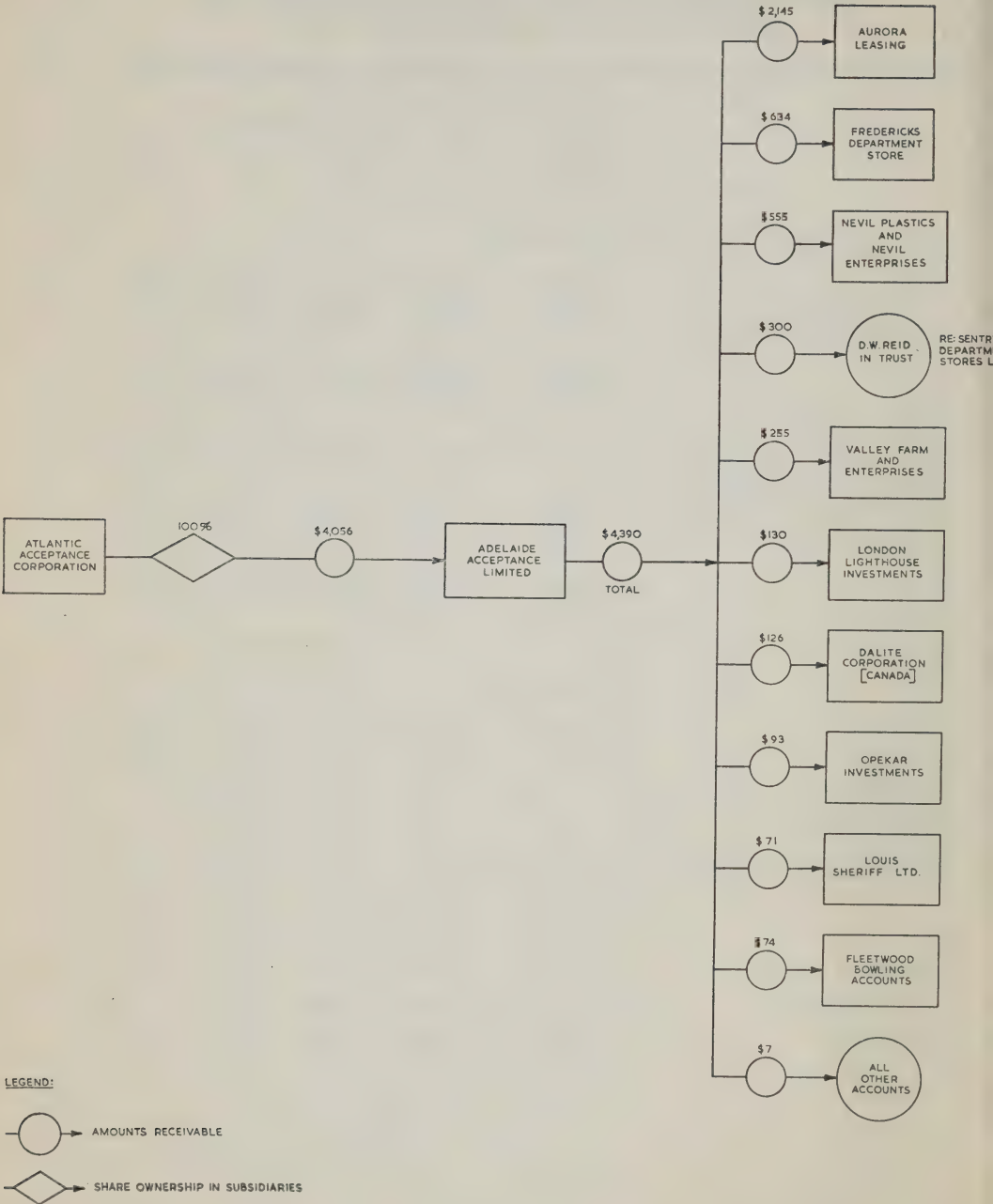


TABLE 17

## ADELAIDE ACCEPTANCE LIMITED

History of Accounts Receivable  
from Acquisition to June 17, 1965

(net of unearned interest)

	March 31 1962	December 31 1962	December 31 1963	December 31 1964	June 17 1965
1. Aurora Leasing Corporation Ltd.....	\$ 654,000.00	\$1,203,595.42	\$2,466,789.82	\$2,210,882.90	\$2,145,489.14
2. H. T. Barthwick.....	—	—	15,150.00	—	—
3. Commodore Sales Acceptance Ltd.....	—	—	—	—	—
4. Double Diamond "D".....	576,716.00	471,824.00	—	—	—
5. V. Ferrara (Fleetwood).....	—	—	5,326.40	2,512.78	1,581.95
6. E. Boyer.....	—	—	—	—	6,076.00
7. Frederick's Department Store Ltd.....	—	604,500.00	604,500.00	609,000.00	634,050.00
8. John Belli Operations Ltd.....	—	10,000.00	—	—	—
9. Mersey Lanes Ltd. (Fleetwood).....	—	26,991.76	22,198.54	13,250.29	13,802.41
10. C. G. Miller.....	—	—	—	3,291.73	—
11. Nevil Enterprises Inc.....	—	132,457.82	17,135.00	157,228.91	164,276.93
12. Nevil Plastics Ltd.....	—	289,191.42	439,106.30	376,922.18	391,487.43
13. Opekar Investments Ltd.....	—	—	85,603.22	86,860.00	92,700.00
14. Phantom Industries Ltd.....	—	—	309,572.06	—	—
15. Premier Bowl (Fleetwood).....	—	—	29,981.98	21,768.91	18,314.27
16. London Lighthouse Investments Ltd.....	—	—	—	—	129,693.06
17. Romfield Associates.....	—	—	639,363.63	—	—
18. Louis Sheriff Ltd.....	—	51,337.36	59,818.80	67,437.54	70,565.17
19. R. J. Solloway.....	—	—	—	5,537.50	—
20. Toppler Bowl (Fleetwood).....	—	47,571.87	49,703.31	39,633.23	37,841.82
21. M. Silverman.....	—	—	—	6,539.00	—
22. Valley Farm and Enterprises Ltd.....	—	253,725.97	251,804.79	251,799.88	254,541.01
23. D. W. Reid in Trust.....	—	—	—	—	300,000.00
24. E. Yeoman (Fleetwood).....	—	—	6,772.64	4,092.99	2,506.04
25. Dalite Corporation (Canada) Ltd.....	480,000.00	333,872.16	257,953.28	159,826.23	125,817.56
26. Fleetwood Accounts—unearned interest...	—	—	(16,075.49)	—	—
27. P. W. Thetford.....	—	—	2,351.92	1,441.71	1,162.77
	<u>\$1,710,716.00</u>				
Total per financial statements.....		<u>\$3,425,067.78</u>	<u>\$5,247,056.20</u>	<u>\$4,018,025.78</u>	<u>\$4,389,905.56</u>

TABLE 18

## ADELAIDE ACCEPTANCE LIMITED

Condensed Comparative Balance Sheets and Income Statements  
December 31, 1962 to 1964 and June 17, 1965

(Prepared from the Financial Statements of the Company without verification)

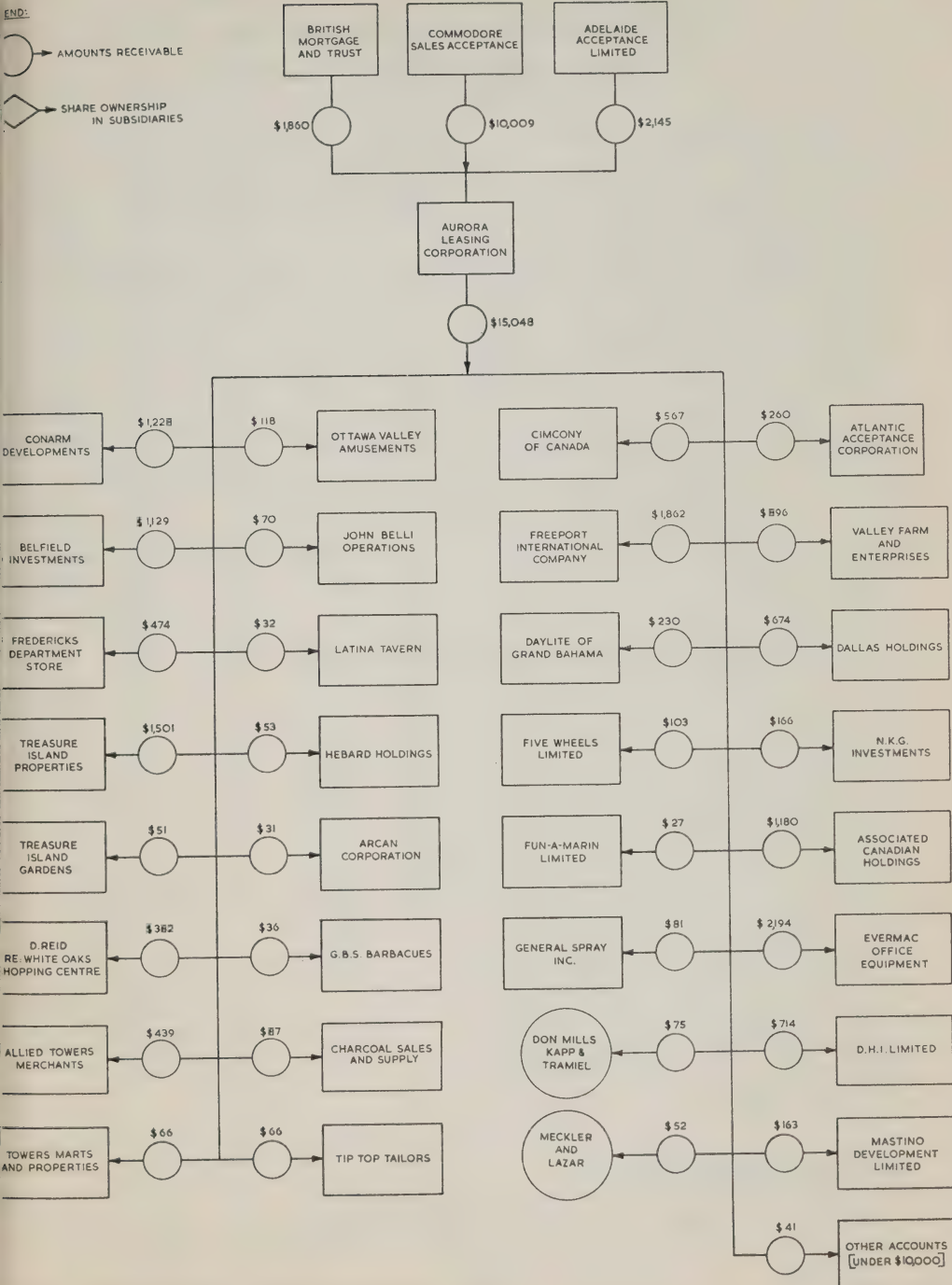
	June 17, 1965	1964	1963	1962
<b>BALANCE SHEET</b>				
<b>Assets</b>				
Cash .....	\$ 826	\$ 744,183	\$ 2,939	\$ 110,166
Notes and interest receivable .....	4,872,685	4,587,857	6,095,704	3,798,769
Allowance for doubtful accounts .....	(94,294)	(87,646)	(40,343)	—
	<u>\$4,779,217</u>	<u>\$5,244,394</u>	<u>\$6,058,300</u>	<u>\$3,908,935</u>
<b>Liabilities and shareholders' equity</b>				
Advances from Atlantic Acceptance .....	\$4,053,273	\$4,433,596	\$4,967,694	\$3,361,942
Accrued liabilities—Atlantic Acceptance .....	10,056	—	4,448	—
Accounts and income taxes payable .....	7,302	22,308	30,212	—
Unearned finance charges .....	482,779	569,831	848,648	373,701
Equity				
Capital stock .....	180,103	180,103	180,103	180,103
Retained earnings .....	45,704	38,556	27,195	(6,811)
	<u>\$4,779,217</u>	<u>\$5,244,394</u>	<u>\$6,058,300</u>	<u>\$3,908,935</u>
<b>INCOME STATEMENT</b>				
<b>Income</b>				
Interest earned .....	\$ 143,937	\$ 390,296	\$ 481,936	\$ 197,946
Management fee received .....	—	—	—	110,000
	<u>\$ 143,937</u>	<u>\$ 390,296</u>	<u>\$ 481,936</u>	<u>\$ 307,946</u>
<b>Expenses</b>				
Interest—Atlantic Acceptance .....	\$ 119,052	\$ 317,526	\$ 225,859	\$ 107,762
Management fee—Atlantic Acceptance .....	—	—	150,000	45,442
Provision for bad debts .....	6,370	47,303	40,343	—
Other .....	3,905	1,798	1,376	1,139
	<u>\$ 129,327</u>	<u>\$ 366,627</u>	<u>\$ 417,578</u>	<u>\$ 154,343</u>
Profit before taxes .....	\$ 14,610	\$ 23,669	\$ 64,358	\$ 153,603
Income tax provision .....	7,599	12,308	30,352	—
Net income earned .....	<u>\$ 7,011</u>	<u>\$ 11,361</u>	<u>\$ 34,006</u>	<u>\$ 153,603</u>

# AURORA LEASING CORPORATION LIMITED

## LOAN, LEASE AND INVESTMENT POSITION

AT JUNE 17, 1965

(\$ 000's)



NOTE: ABOVE AMOUNTS INCLUDE THE TOTAL VALUE OF LONG TERM LEASE CONTRACTS



TABLE 20

## AURORA LEASING CORPORATION LIMITED

## Accounts Receivable History

(Includes the total value of Term Accounts re: Leases)

From December 31, 1960 to July 30, 1965

	Dec. 31 1960	Dec. 31 1961	Dec. 31 1962	Dec. 31 1963	Dec. 31 1964	July 30 1965
1. Atlantic Acceptance Corporation Limited and Atlantic Finance Corporation Limited.....		\$ 72,060	\$ 110,314	\$ 270,106	\$ 341,573	\$ 228,073
2. Cimcony Limited.....					544,156	570,574
3. D. H. I. Limited.....			481,383	801,636	739,602	727,773
4. Valley Farm and Enterprises Limited.....		110,226	727,573	1,026,322	839,860	903,226
5. Frederick's Department Store Limited.....		242,375	159,275	262,653	467,073	476,162
6. Associated Canadian Holdings Limited.....				952,499	1,122,597	1,188,255
7. Evermac Office Equipment Company Limited.....					2,101,561	2,209,517
8. Treasure Island Properties Limited.....				1,148,774	1,335,094	1,519,763
9. Treasure Island Gardens Limited.....					50,750	51,491
10. D. W. Reid—White Oaks Shopping Centre.....				128,202	330,727	384,614
11. Allied Towers Merchants Limited.....				516,268	476,662	423,892
12. Freeport International Company Limited.....					1,755,014	1,879,645
13. Daylite of Grand Bahama Company Limited.....					263,190	231,587
14. Towers Marts and Properties Limited.....			634,526	65,982	65,982	65,982
15. Conarm Developments Limited.....				801,709	956,835	1,236,733
16. Dallas Holdings Limited.....			216,442	416,630	492,235	678,849
17. Belfield Investments Limited.....					899,014	1,137,459
18. N.G.K. Investments Limited.....	\$256,125	252,000	389,782	443,771	572,420	166,910
19. Mortgage Trust & Savings Corporation (Bahama) Limited.....					255,410	—
20. Mastino Developments Limited.....				143,000	157,300	163,469
21. Ottawa Valley Amusements Limited.....				129,335	118,334	118,334
22. Arcan Corporation Limited.....					25,018	31,685
23. Charcoal Supply & Sales of Ontario Limited.....				52,278	86,803	88,128
24. Don Mills.....			99,549	78,902	75,034	75,034
25. Hebard Holdings Limited.....					50,333	52,933
26. Fun-A-Marin Limited.....				17,895	26,500	27,000
27. General Spray Service, Inc.....				86,961	82,928	80,907
28. Inglewood Park Investments Limited.....					63,492	—
29. John Belli Operations Limited.....		52,160	41,361	91,192	77,100	68,581
30. G.B.S. Barbecues Limited.....	88,500	203,300	155,600	107,900	60,200	36,350
31. J. G. Meckler and M. J. Lazar.....			102,185	56,139	51,515	51,515
32. Tip Top Tailors Limited.....					90,933	66,665
33. J. A. Brewster.....		10,300	12,856	10,100	10,100	10,100
34. Five Wheels Limited.....					315	103,989
35. St. George's Golf and Country Club Limited.....		33,717	25,717	17,716	10,287	6,286
36. Corporate Plan Leasing Limited.....	104,994	37,447	25,992	4,570	(52)	(52)
37. Valley Music Co. Ltd.....	476,000	496,169	436,561			
38. Commodore Sales Acceptance Limited.....		13,184	9,626	3,989	59	
39. Township of Michipicoten, Ontario.....		16,134	12,369	9,243	5,916	4,840
40. Camerina Petroleum Corporation.....		100,000	150,000			
41. Home Smith Properties Limited.....		350,000				
42. W. P. Gregory.....		515,000	525,000			
43. Maris Investment Corporation Limited.....		103,000	48,085			
44. Annett & Co.....			334,878			
45. Chisholm & Company Limited.....			1,283,277			
46. Carman G. King.....			54,826			
47. Valley Improvement Company Limited.....			646,500			
48. Commodore Business Machines (Canada) Limited			264,591	264,591		
49. Jacroy Canada Limited.....				11,475	8,775	7,425
50. F. Mann Limited.....				1,316	1,038	2,032
51. Martin's (Pembroke) Limited.....				12,235	8,463	6,826
52. Parkhill Creamery Limited.....				4,296	3,495	3,058
53. Bond & Cosman Limited.....				107,653		
54. Kathleen Christie.....				70,035		
55. Cushing and Company.....				1,350,000		
56. Latina Tavern Limited.....						31,900
To reconcile with Financial Statements.....		16,288	6,948,268	9,465,378	14,623,641	15,117,355
Less: Contra against Account Payable to Com- modore Sales Acceptance Limited.....			(3,190,000)	(1,313)	(371,047)	—
Totals per the financial statements.....	\$925,619	\$2,623,360	\$3,758,268	\$9,464,065	\$14,252,594	\$15,117,355

TABLE 21

AURORA LEASING CORPORATION LIMITED

Condensed Comparative Balance Sheets and Income Statements

December 31, 1960 to 1964 and July 30, 1965

BALANCE SHEET	<i>Estimated</i> <i>July 30, 1965</i> <i>(per Clarkson</i> <i>Co. report)</i>					
	1964	1963	1962	1961	1960	
<b>Assets</b>						
Cash.....	\$ 402	\$ 252,876	\$ 43,748	\$ 70,795	\$ 24,062	\$ 62,090
Receivables—term accounts (leases).....	1,197,305	1,422,768	1,693,916	1,622,071	1,182,572	669,494
—notes and mortgages.....	13,820,050	12,829,826	7,770,149	2,136,479	1,440,788	256,125
Investment—Mavety Film Delivery.....	160,000	—	—	—	—	—
Equipment.....	1,363,649	1,305,420	1,348,761	1,014,031	554,550	240,310
	<u>\$16,541,406</u>	<u>\$15,810,890</u>	<u>\$10,856,574</u>	<u>\$4,843,376</u>	<u>\$3,201,972</u>	<u>\$1,228,019</u>
<b>Liabilities and Shareholders' Equity</b>						
Outstanding cheques and accruals.....	\$ 300,789	\$ 1,112,112	\$ 123,177	\$ 113,277	\$ 37,858	\$ 60,392
Notes payable—secured Commodore Sales ..	9,840,164	8,380,953	3,875,000	1,375,897	1,506,451	310,109
Adelaide Acceptance	2,076,117	2,119,256	2,345,515	1,173,243	—	—
British Mortgage...	1,860,000	1,700,000	1,950,000	—	—	—
Unearned interest.....	—	60,817	70,439	35,835	9,679	—
Unsecured notes payable.....	529,000	529,000	559,000	600,000	600,000	300,000
Deferred revenue.....	1,223,261	1,357,692	1,590,303	1,471,297	992,792	505,500
Deferred tax credit.....	39,515	39,515	—	—	—	—
Shareholders' equity.....	672,560	511,545	343,140	73,827	55,192	52,018
	<u>\$16,541,406</u>	<u>\$15,810,890</u>	<u>\$10,856,574</u>	<u>\$4,843,376</u>	<u>\$3,201,972</u>	<u>\$1,228,019</u>
<b>INCOME STATEMENT</b>						
Income—rentals.....	\$ 467,335	\$ 300,829	\$ 336,072	\$ 77,409	\$ 216,487	
—interest earned.....	1,064,538	629,783	224,516	127,830	—	
	<u>\$ 1,531,873</u>	<u>\$ 930,612</u>	<u>\$ 560,588</u>	<u>\$ 205,239</u>	<u>\$ 216,437</u>	
Expenses—interest paid.....	\$ 1,039,137	\$ 611,784	\$ 297,793	\$ 117,084	\$ 49,162	
—management fees.....	24,000	12,000	12,000	2,500	(43,500)	
—depreciation.....	231,352	229,092	194,769	62,487	60,078	
—other.....	5,217	4,128	8,993	3,099	300,866	
	<u>\$ 1,299,706</u>	<u>\$ 857,004</u>	<u>\$ 513,555</u>	<u>\$ 185,170</u>	<u>\$ 366,596</u>	
Provision for taxes.....	\$ 58,577	\$ 26,850	\$ 11,359	\$ 4,616	—	
Net Income Earned.....	<u>\$ 173,590</u>	<u>\$ 46,758</u>	<u>\$ 35,674</u>	<u>\$ 15,453</u>	<u>(\$ 150,159)</u>	

TABLE 22

## ATLANTIC ACCEPTANCE CORPORATION LIMITED

**Short Term Secured Notes Outstanding**  
**As at June 30, 1965 through to December 1965**

<i>Dealer</i>	<i>No.</i>	<i>Holder</i>	<i>Due Date</i>	<i>Amount</i>
Direct.....	584	The Toronto Dominion Bank.....	Demand	\$1,250,000.00
Gairdner & Co.....	2928	Cdn. Gas & Energy Fund Ltd.....	Demand	50,000.00
Gairdner & Co.....	2782	Cdn. Gas & Energy Fund Ltd.....	Demand	50,000.00
Direct.....	2724	Great Northern Capital.....	Demand	100,000.00
Direct.....	2725	Great Northern Capital.....	Demand	100,000.00
Direct.....	2726	Great Northern Capital.....	Demand	100,000.00
Direct.....	2983	Home Smith Properties Ltd.....	Demand	100,000.00
Direct.....	2984	Home Smith Properties Ltd.....	Demand	100,000.00
Direct.....	2985	Home Smith Properties Ltd.....	Demand	100,000.00
Direct.....	2986	Home Smith Properties Ltd.....	Demand	100,000.00
Direct.....	2987	Home Smith Properties Ltd.....	Demand	100,000.00
Direct.....	2988	Humbria Limited.....	Demand	25,000.00
Direct.....	2989	Humbria Limited.....	Demand	25,000.00
Direct.....	3187	Commodore Sales Acceptance.....	Demand	750,000.00
Direct.....	3473	British Mortgage & Trust.....	Demand	100,000.00
Gairdner & Co.....	3469	Cdn. Gas & Energy Fund Ltd.....	Demand	100,000.00
Gairdner & Co.....	3482	Federated Growth Fund.....	Demand	200,000.00
Direct.....	3484	British Mortgage & Trust.....	Demand	100,000.00
T. A. Richardson & Co.....	3527	The Carling Breweries.....	Demand	250,000.00
Greenshields Ltd.....	3532	Cains & Co.....	Demand	50,000.00
Gairdner & Co.....	3551	Federated Growth Fund.....	Demand	100,000.00
James Richardson.....	3550	Northwest Nitro-Chemicals Ltd.....	Demand	100,000.00*
Direct.....	3546	Home Smith Properties Ltd.....	Demand	100,000.00
Direct.....	3545	Home Smith Properties Ltd.....	Demand	100,000.00
Direct.....	3544	Home Smith Properties Ltd.....	Demand	100,000.00
Direct.....	3543	Home Smith Properties Ltd.....	Demand	100,000.00
Direct.....	3561	The Royal Bank of Canada.....	Demand	1,000,000.00
Direct.....	3562	The Royal Bank of Canada.....	Demand	1,000,000.00
Gairdner & Co.....	3587	Petrogas Processing.....	Demand	200,000.00
Gairdner & Co.....	3598	Northwest Nitro-Chemicals Ltd.....	Demand	100,000.00*
Gairdner & Co.....	3599	Northwest Nitro-Chemicals Ltd.....	Demand	50,000.00*
Gairdner & Co.....	3607	Atlantic Sugar Refineries.....	Demand	300,000.00
Walwyn Stodgell & Co.....	3615	Denison Mines Limited.....	Demand	400,000.00*
Gairdner & Co.....	3623	Cdn. Gas & Energy Fund.....	Demand	100,000.00
Gairdner & Co.....	3624	Cdn. Gas & Energy Fund.....	Demand	100,000.00
Gairdner & Co.....	3625	Gairdner & Co. In Trust.....	Demand	500,000.00
Royal Securities.....	3621	S.F.C.I. Ltd.....	June 14-65	5,000,000.00
Mills Spence & Co.....	3616	The Oshawa Wholesale Ltd.....	June 14-65	400,000.00
Harris & Partners.....	2094	Trustees University of Pennsylvania.....	June 15-65	568,000.00
N.Y. Hanseatic.....	2295	National Lead Company.....	June 15-65	1,000,000.00*
N.Y. Hanseatic.....	2304	Chesapeake & Ohio Railway.....	June 15-65	500,000.00*
Greenshields Ltd.....	2716	National Lead Company.....	June 15-65	1,000,000.00*
Gairdner & Co.....	2729	National Lead Company.....	June 15-65	500,000.00*
Burns Bros.....	3129	Credit Suisse (Can.) Ltd.....	June 15-65	150,000.00
Burns Bros.....	3130	Eastern & Chartered Trust.....	June 15-65	506,000.00
Wood, Gundy & Co.....	3135	Hamilton Trust & Savings.....	June 15-65	50,000.00
Greenshields Ltd.....	3210	British Mortgage & Trust.....	June 15-65	2,000,000.00
Greenshields Ltd.....	3359	Borg Warner Corp.....	June 15-65	500,000.00*
Gairdner & Co.....	3366	Moody's Investors Inc.....	June 15-65	50,000.00*
Harris & Partners.....	3462	C. T. Ball.....	June 15-65	9,000.00
Dominion Securities.....	3517	Trustees of Proctor & Gamble.....	June 15-65	75,000.00
Harris & Partners.....	3253	Minnesota Mining & Manufacturing.....	June 16-65	1,000,000.00*
Greenshields Ltd.....	3471	Cains & Co.....	June 16-65	100,000.00
Greenshields Ltd.....	3560	Chrysler Canada Limited.....	June 16-65	1,000,000.00
Gairdner & Co.....	3480	Continental Can Company.....	June 17-65	200,000.00
Direct.....	2732	Hot Stove Lounge Club.....	June 21-65	15,000.00
Mills Spence & Co.....	3154	R.M.P. Hamilton.....	June 21-65	50,000.00
Greenshields Ltd.....	3491	Hayes Steel Products.....	June 21-65	100,000.00
Greenshields Ltd.....	3492	National Life Assurance.....	June 21-65	125,000.00
Kuhn Loeb & Co.....	3503	Madison Fund Inc.....	June 21-65	1,000,000.00*
Molson & Co.....	3511	Reed Shaw & McNaught.....	June 21-65	100,000.00
Greenshields Ltd.....	3579	Dow Chemical.....	June 21-65	\$ 952,400.00

\*U.S. Funds



TABLE 22 (Continued)

## ATLANTIC ACCEPTANCE CORPORATION LIMITED

**Short Term Secured Notes Outstanding**  
**As at June 30, 1965 through to December 1965**  
**(Continued)**

<u>Dealer</u>	<u>No.</u>	<u>Holder</u>	<u>Due Date</u>	<u>Amount</u>
Harris Partners	3163	T.C.F. Of Canada	June 22-65	\$125,000.00
Cdn. Imperial Bank	3340	Gee & Co.	June 22-65	10,000.00
R. A. Daly & Co.	3513	Richardson de Pencier Ltd.	June 24-65	25,000.00
Nicholson & Co.	3526	Corphold Limited	June 25-65	22,000.00
Harris & Partners	3529	Moe Gussman	June 25-65	10,000.00
Bankers Bond Corp. Ltd.	3181	Domtor Company	June 28-65	75,000.00
Greenshields Ltd.	3535	Cyanamid of Canada Ltd.	June 28-65	250,000.00
Greenshields Ltd.	3541	Cains & Co.	June 28-65	325,000.00
Molson & Co.	2938	William M. Mercer	June 29-65	300,000.00
Gairdner & Co.	3188	Petrogas Processing	June 29-65	300,000.00
T. A. Richardson & Co.	3374	James M. Dunwoody	June 29-65	100,000.00
Dominion Securities	2817	Rayonier Canada B.C. Limited	June 30-65	750,000.00
Doherty Roadhouse	3375	Quality Records Limited	June 30-65	45,000.00
Gairdner & Co.	3558	Gold Bond Company	July 2-65	100,000.00
T. A. Richardson & Co.	3567	Carling Breweries Ltd.	July 2-65	200,000.00
Direct	3568	Evandon Exploration	July 2-65	195,596.65
Moss Lawson & Co.	3212	British Empire Motor Club	July 5-65	10,000.00
F. Mann Ltd.	3226	Denison Mines Ltd.	July 5-65	250,000.00
Dominion Securities	3559	Trustees of Procter & Gamble	July 5-65	60,000.00
T. A. Richardson & Co.	3577	C T V Television Network	July 5-65	25,000.00*
T. A. Richardson & Co.	3581	C T V Television Network	July 5-65	50,900.00
T. A. Richardson & Co.	3582	C T V Television Network	July 5-65	50,000.00
T. A. Richardson & Co.	3583	C T V Television Network	July 5-65	50,000.00
Gairdner & Co.	3580	Adams Brands Limited	July 6-65	200,000.00
Dominion Securities	2796	Canada & Dominion Sugar	July 7-65	100,000.00*
Dominion Securities	2798	Dominion Securities	July 7-65	250,000.00
Annett & Co.	3591	Mrs. Helen Moore	July 7-65	20,000.00
Greenshields Ltd.	3589	Range Investments Ltd.	July 7-65	50,000.00
Burns Bros.	3203	Hooker Chemical Corp.	July 9-65	563,900.00
Gairdner & Co.	3520	Aviation Electric Ltd.	July 9-65	100,000.00
Walwyn Stodgell & Co.	3610	Kent Trust & Savings	July 9-65	50,000.00
Harris & Partners	3611	Corphold Ltd.	July 9-65	20,000.00
Direct	3263	Meta Uranium Mines Ltd.	July 12-65	235,313.82
Dominion Securities	3455	Procter & Gamble Co.	July 12-65	500,000.00
Gairdner & Co.	3481	Procter & Gamble Co.	July 12-65	500,000.00
T. A. Richardson & Co.	3614	Commonwealth Savings & Loan	July 12-65	100,000.00
Mills Spence & Co.	3620	Walter W. Brydges	July 12-65	100,000.00
Molson & Co.	3622	Reed Shaw & McNaught	July 12-65	100,000.00
Burns Bros.	3287	Mr. Hans Otto	July 13-65	25,000.00*
Greenshields Ltd.	3291	Mr. James C. Binnie	July 13-65	20,000.00
Direct	3463	Mrs. Michael Peers	July 13-65	108,200.00
McLeod Young & Weir	3628	Reed Shaw & McNaught	July 14-65	100,000.00
Midland Osler Securities	2689	The American Lutheran Church	July 15-65	250,000.00*
Burns Bros.	2479	Guycourt of New York	July 16-65	10,000.00*
Burns Bros.	3310	Mr. Hans Otto Wald	July 19-65	9,000.00*
Burns Bros.	3311	Mr. Hans Otto	July 19-65	8,000.00*
Burns Bros.	3312	Miss Annemarie Otto	July 19-65	77,000.00*
Burns Bros.	3313	Mrs. Annemarie Otto	July 19-65	8,000.00*
Burns Bros.	3314	Miss Barbara Otto	July 19-65	71,000.00*
Burns Bros.	3323	Concordia Life Insurance Co.	July 20-65	20,000.00
Harris & Partners	3324	Concordia Life Insurance Co.	July 20-65	100,000.00
Cdn. Imperial Bank	3325	T.C.F. of Canada Ltd.	July 20-65	25,000.00
Mills Spence & Co.	3173	Gee & Co.	July 20-65	250,000.00
N. Y. Hanseatic	2501	Canada Permanent Trust	July 23-65	250,000.00*
Burns Bros.	3348	American Lutheran Church	July 26-65	250,000.00*
Moss Lawson & Co.	3355	Mrs. Ingeborg H. Holzhey Otto	July 26-65	70,000.00*
Molson & Co.	2867	Dajon Investments Ltd.	July 28-65	10,000.00
Dominion Securities	3379	Pilkington Glass Manufacturing Co. Ltd.	July 28-65	250,000.00
Direct	3383	Montreal Trust Co. Acct. No. V286	July 29-65	500,000.00
Gairdner & Co.	3585	Meta Uranium Mines Ltd.	Aug. 3-65	28,725.30
Bankers Bond Corp. Ltd.	3405	Jefferson Lake Petrochemicals	Aug. 3-65	200,000.00
Cdn. Imperial Bank of Commerce	3423	Domtor Company	Aug. 4-65	50,000.00
Cdn. Imperial Bank of Commerce	3424	Gee & Co.	Aug. 9-65	25,000.00
		Gee & Co.	Aug. 9-65	25,000.00

(Continued)

\*U.S. Funds

TABLE 22 (Continued)

## ATLANTIC ACCEPTANCE CORPORATION LIMITED

**Short Term Secured Notes Outstanding**  
**As at June 30, 1965 through to December 1965**  
**(Continued)**

<i>Dealer</i>	<i>No.</i>	<i>Holder</i>	<i>Due Date</i>	<i>Amount</i>
Greenshields Ltd.	3452	Union Carbide Canada Ltd.	Aug. 11-65	\$500,000.00
Harris & Partners	3443	Ed Ferguson Limited	Aug. 12-65	5,000.00
Cdn. Imperial Bank of Commerce	3466	Gee & Co.	Aug. 16-65	25,000.00
Direct	3467	Slimlake Mines Ltd.	Aug. 16-65	20,000.00
Harris & Partners	3468	Gussmans Limited	Aug. 16-65	15,000.00
Dominion Securities	3486	Procter & Gamble Co.	Aug. 16-65	500,000.00
Gairdner & Co.	3054	John Francis Henderson	Aug. 17-65	30,000.00
Direct	3478	Lambert & Co.	Aug. 18-65	500,000.00*
Greenshields Ltd.	3497	Union Carbide Canada Ltd.	Aug. 18-65	100,000.00
Greenshields Ltd.	3495	Canada & Dominion Sugar	Aug. 19-65	250,000.00
Greenshields Ltd.	3530	Dow Chemical of Canada	Aug. 25-65	1,000,000.00
Greenshields Ltd.	3531	Dow Chemical of Canada	Aug. 25-65	1,000,000.00
Greenshields Ltd.	2415	Campbell Soup Company	Aug. 26-65	1,000,000.00*
Greenshields Ltd.	3547	Shawinigan Chemicals Ltd.	Aug. 26-65	250,000.00
Gairdner & Co.	3066	Mr. John F. Henderson	Aug. 27-65	20,000.00
Burns Bros.	3554	August Lenz & Co. (Canada)	Aug. 30-65	20,000.00
Cdn. Imperial Bank of Commerce	3552	Gee & Co.	Aug. 30-65	25,000.00
Dominion Securities	3557	Calgary Brewing & Malting	Aug. 30-65	150,000.00
Direct	3080	British Mortgage & Trust	Aug. 31-65	200,000.00
N.Y. Hanseatic	3618	Regents of University of Minnesota	Aug. 31-65	250,000.00*
Doherty Roadhouse	3572	Quality Records Limited	Sept. 2-65	25,000.00
Cdn. Imperial Bank of Commerce	3593	Gee & Co.	Sept. 7-65	50,000.00
Direct	3573	Underwriters National Assurance	Sept. 7-65	100,000.00*
Direct	3588	Bituminous Coal Institute	Sept. 7-65	10,000.00
Royal Securities	3109	Royal Securities for Acct. of Whitehead & Co.	Sept. 8-65	10,000.00
Gairdner & Co.	3162	Skelly Oil Co.	Sept. 8-65	1,080,000.00
Cdn. Imperial Bank of Commerce	2694	Moulded Fibre Ltd.	Sept. 13-65	75,000.00
James Richardson	3549	Northwest Nitro-Chemicals	Sept. 13-65	75,000.00
McLeod Young & Weir	3627	Hayes Steel Products Ltd.	Sept. 13-65	150,000.00
Harris & Partners	3609	Ed Ferguson Ltd.	Sept. 14-65	5,000.00
Greenshields Ltd.	2815	Rayonier Incorp.	Sept. 15-65	1,000,000.00*
Burns Bros.	2728	Witco Chemical Co. Ltd.	Sept. 14-65	1,000,000.00*
N.Y. Hanseatic	2742	Chesapeake & Ohio Railway	Sept. 17-65	1,000,000.00*
James Richardson	3548	Northwest Nitro-Chemicals	Sept. 20-65	200,000.00
R. A. Daly & Co.	3533	Wm. M. Mercer Ltd.	Sept. 24-65	125,000.00
Direct	3483	Seven Up Montreal Ltd.	Sept. 30-65	200,000.00
Mercantile Bank	3515	The First National City Bank	Sept. 30-65	3,000,000.00*
Direct	2864	The Canadian Bar Association	Oct. 1-65	40,000.00
Burns Bros.	3242	Commonwealth Trust Co.	Oct. 4-65	200,000.00
Dominion Securities	3269	Credit Suisse (Can.) Ltd.	Oct. 11-65	100,000.00
Direct	3608	The Toronto-Dominion Bank	Oct. 12-65	4,000,000.00*
Cdn. Imperial Bank of Commerce	3626	Gee & Co.	Oct. 12-65	10,000.00
Dominion Securities	2814	Campbell Soup Co.	Oct. 15-65	250,000.00
Burns Bros.	3395	Maple Leaf Gardens Ltd.	Nov. 1-65	150,000.00
N.Y. Hanseatic	2816	Chesapeake & Ohio Railway	Nov. 15-65	500,000.00*
Cdn. Imperial Bank of Commerce	3472	Gee & Co.	Nov. 15-65	10,000.00
Greenshields Ltd.	3510	National Trust Co.	Nov. 17-65	25,000.00
Harris & Partners	3519	T.C.F. of Canada Ltd.	Nov. 22-65	100,000.00
Harris & Partners	3553	Arthur Galarneau	Nov. 29-65	25,000.00
Direct	2888	Hot Stove Lounge Club	Nov. 30-65	10,000.00
Annett & Co.	2640	Angus Dale Limited	Dec. 1-65	250,000.00
Burns Bros.	2874	Canada Permanent Trust	Dec. 1-65	522,000.00
Walwyn Stodgell & Co.	3592	Watson Lake Mines	Dec. 6-65	20,000.00
Gairdner & Co.	3601	Atlantic Sugar Refineries	Dec. 6-65	1,000,000.00
Dominion Securities	3612	International Trust Co.	Dec. 7-65	250,000.00
Burns Bros.	3213	Canada Permanent Trust	Dec. 30-65	519,000.00
Burns Bros.	3270	Consolidated Financial Corp.	Jan. 10-66	1,010,000.00
Mills Spence & Co.	2844	Canada Permanent Trust	Jan. 21-66	105,000.00
Royal Securities	2849	The Royal Trust Co.	Jan. 21-66	20,000.00
Blair	3453	Underwriters Bank Inc. (Hamilton, Bermuda)	Feb. 11-66	500,000.00*
Direct	3448	Hot Stove Lounge Club	May 12-68	20,000.00
Direct	3523	Hot Stove Lounge Club	May 25-68	15,000.00
James Richardson	3617	Cdn. Utilities Ltd.	June 10-66	1,100,000.00

\*U.S. Funds



TABLE 23

## ATLANTIC ACCEPTANCE CORPORATION LIMITED

## Schedule of Short Term Secured Notes Outstanding

## MATURING ON DEMAND

<i>Date Issued</i>	<i>Name</i>	<i>Rate</i>	<i>Amount</i>
Dec. 30-64	Can. Gas & Energy Fund Ltd.....	4½	\$ 50,000.00
Jan. 6-65	Can. Gas & Energy Fund Ltd.....	4¼	50,000.00
Dec. 18-64	Great Northern Capital Corp. Ltd.....	4½	100,000.00
Dec. 18-64	Great Northern Capital Corp. Ltd.....	4½	100,000.00
Dec. 18-64	Great Northern Capital Corp. Ltd.....	4½	100,000.00
Feb. 12-65	Home Smith Properties Limited.....	4½	100,000.00
Feb. 12-65	Home Smith Properties Limited.....	4½	100,000.00
Feb. 12-65	Home Smith Properties Limited.....	4½	100,000.00
Feb. 12-65	Home Smith Properties Limited.....	4½	100,000.00
Feb. 12-65	Home Smith Properties Limited.....	4½	100,000.00
Feb. 12-65	Humbria Limited.....	4½	25,000.00
Feb. 12-65	Humbria Limited.....	4½	25,000.00
Feb. 12-65	Humbria Limited.....	4¼	150,000.00
Mar. 31-65	British Mortgage & Trust Company.....	4½	200,000.00
Apr. 30-65	British Mortgage & Trust Company.....	4½	100,000.00
May 17-65	British Mortgage & Trust Company.....	4½	100,000.00
May 17-65	Can. Gas & Energy Fund Ltd.....	4½	200,000.00
May 18-65	Federated Growth Fund Ltd.....	4½	100,000.00
May 18-65	British Mortgage & Trust Company.....	4½	250,000.00
May 26-65	The Carling Breweries Limited.....	4½	50,000.00
May 27-65	Cains & Co.....	4½	100,000.00
May 28-65	Federated Growth Fund Ltd.....	4½	100,000.00
May 28-65	Northwest Nitro-Chemicals Ltd. (U.S.).....	6	100,000.00
May 28-65	Home Smith Properties Limited.....	6	100,000.00
May 28-65	Home Smith Properties Limited.....	6	100,000.00
May 28-65	Home Smith Properties Limited.....	6	100,000.00
May 28-65	Home Smith Properties Limited.....	6	100,000.00
June 4-65	Atlantic Sugar Refineries Co. Ltd.....	4½	250,000.00
June 4-65	Petrogas Processing Limited.....	4½	200,000.00
June 7-65	Northwest Nitro-Chemicals Ltd. (U.S.).....	4½	100,000.00
June 7-65	Northwest Nitro-Chemicals Ltd. (U.S.).....	4½	50,000.00
June 8-65	Atlantic Sugar Refineries Co. Ltd.....	4½	300,000.00
June 10-65	Denison Mines Limited (U.S.).....	4½	400,000.00
June 11-65	Cdn. Gas & Energy Fund Limited.....	4½	100,000.00
June 11-65	Cdn. Gas & Energy Fund Limited.....	4½	100,000.00
June 11-65	Gairdner & Co. In Trust.....	4½	500,000.00

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**\$4,700,000.00**


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(Continued)

TABLE 23 (Continued)

## ATLANTIC ACCEPTANCE CORPORATION LIMITED

## Schedule of Short Term Secured Notes Outstanding

MATURING JUNE 14th TO JUNE 25th, 1965

<i>Date Issued</i>	<i>Name</i>	<i>Due date</i>	<i>Rate</i>	<i>Amount</i>
Feb. 18-65	Northwest Nitro-Chemicals Ltd. ....	June 14-65	4½	\$ 150,000.00
May 13-65	Jefferson Lake Petrochem, Ltd. ....	June 14-65	4½	200,000.00
May 13-65	Petrogas Processing Ltd. ....	June 14-65	4½	200,000.00
May 14-65	Hayes Steel Products Ltd. ....	June 14-65	4½	150,000.00
May 14-65	Reed Shaw & McNaught. ....	June 14-65	4½	100,000.00
Apr. 15-65	Concordia Life Ins. Co. ....	June 14-65	4½	10,000.00
June 8-65	Pacific Great Eastn. Railway ....	June 14-65	4½	350,000.00
June 10-65	The Oshawa Wholesale Ltd. ....	June 14-65	4½	400,000.00
June 11-65	S.F.C.I. Ltd. ....	June 14-65	4½	5,000,000.00
June 11-65	The Carling Breweries Ltd. ....	June 14-65	4½	200,000.00
June 17-65	Trustees of Univer. of Penn. ....	June 15-65	4½	568,000.00
Aug. 7-65	National Lead Company (U.S.) ....	June 15-65	4½	1,000,000.00
Aug. 13-65	Chesapeake & Ohio Railway (U.S.) ....	June 15-65	4½	500,000.00
Dec. 17-64	National Lead Company (U.S.) ....	June 15-65	5	1,000,000.00
Dec. 21-64	National Lead Company (U.S.) ....	June 15-65	5	500,000.00
Mar. 17-65	Credit Suisse (Can.) Ltd. ....	June 15-65	4¾	150,000.00
Mar. 17-65	Eastern & Chartered Trust. ....	June 15-65	4¾	506,000.00
Mar. 17-65	Hamilton Trust & Savings Corp. ....	June 15-65	4½	50,000.00
Apr. 5-65	British Mortgage & Trust. ....	June 15-65	4½	2,000,000.00
Apr. 27-65	Borg Warner Corp. (U.S.) ....	June 15-65	4½	500,000.00
Apr. 28-65	Moody's Investors Inc. (U.S.) ....	June 15-65	4½	50,000.00
May 14-65	C. T. Ball. ....	June 15-65	4½	9,000.00
May 25-65	Trustees of Proctor & Gamble. ....	June 15-65	4½	75,000.00
Apr. 14-65	Minn. Mining & Manufact. Co. (U.S.) ....	June 16-65	4.65	1,000,000.00
May 17-65	Cains & Co. ....	June 16-65	4½	100,000.00
June 1-65	Chrysler Canada Limited. ....	June 16-65	4½	1,000,000.00
May 18-65	Continental Can Co. of Canada Ltd. ....	June 17-65	4½	200,000.00
May 19-65	Dow Chemical of Can. Ltd. ....	June 18-65	4½	500,000.00
Dec. 21-64	Hot Stove Lounge Club. ....	June 21-65	4½	15,000.00
Mar. 23-65	R.M.P. Hamilton. ....	June 21-65	4½	50,000.00
May 20-65	Hayes Steel Products Limited. ....	June 21-65	4½	100,000.00
May 20-65	National Life Assur. ....	June 21-65	4½	125,000.00
May 20-65	National Life Assur. ....	June 21-65	4½	100,000.00
May 21-65	Madison Fund Inc. (U.S.) ....	June 21-65	5½	1,000,000.00
May 21-65	Reed Shaw & McNaught. ....	June 21-65	4½	100,000.00
June 4-65	Dow Chemical of Can. Ltd. ....	June 21-65	4½	952,400.00
Mar. 24-65	T.C.F. of Canada Limited. ....	June 22-65	4½	125,000.00
Apr. 23-65	Gee & Co. ....	June 22-65	4½	10,000.00
May 25-65	Richard De Pencier Ltd. ....	June 24-65	4½	25,000.00
May 26-65	Corphold Limited. ....	June 25-65	4½	22,000.00
May 26-65	Moe Gussman. ....	June 25-65	4½	10,000.00
				<hr/> <hr/> \$19,102,400.00

**COMMODORE SALES ACCEPTANCE LIMITED**  
**Common Share Transactions per Minutes of Directors' Meetings March 6, 1959 to May 15, 1961**

	Shares Issued March 6 1959	Shares Issued May 20 1959	Shares Issued July 22 1959	Shares Issued Oct. 15 1959	Shares Issued Dec. 23 1959	Shares Issued Dec. 23 1959	Shares Issued Dec. 23 1959	Shares Issued Dec. 26 1959	Issued and Outstanding December 31, 1959	Share Transfers	Share Balance Aug. 24 1960	Share Transfers	Share Balance May 15 1961
Atlantic Acceptance Corporation Limited...													
Held In Trust:													
C. Powell Morgan.....	1	2,038	2,000	4,000	4,875	14,625		24,114	51,652	( 1)	51,651	500	52,151
Louis W. Spencer.....	1							3	4		4	( 4)	4
Alan T. Christie.....	1							3	4		4		1
Anthony C. Rooney.....											1		1
Annet & Company Limited.....								10,554	14,512	(12,389)	2,143	(1,048)	1,095
Held In Trust:													
Carman G. King.....	1	1,958	1,000	1,000					1	1.00			
Eleanor Johnston.....	1								1	1.00			
Maisie McLaren.....	1								1	1.00			
J. W. Annett.....								3	3	( 3)			
Renel Investments Limited.....													
Sidney Fromer.....			500					1,500	2,000		2,000		2,000
Mrs. Phyllis McCullagh.....			500					1,500	2,000		2,000		2,000
Robert J. McCullagh.....				840				2,520	3,360		3,360		3,360
J. C. Laidlaw.....				776				2,328	3,104		3,104		3,104
William H. Wallace.....				384				1,152	1,536		1,536		1,536
Carman G. King.....	1			1,000				1,500	2,500	( 500)	2,000		2,000
Douglas R. Annett.....					375			720	2,220	( 3)	3,805		3,805
Louis W. Spencer.....					375			3	504		504	( 500)	501
Maunfred Kapp.....					375				163.80		163.80		
Harry Wagnan.....					750				323.00	( 1,000)	500		
British Mortgage & Trust Company.....					3,000				1,000		4,000		4,000
Prismac Limited.....									2,500		4,420		4,420
Annett Partners Limited.....									2,500		2,500		2,500
Held In Trust:													
Wilfrid P. Gregory.....									4,000		10,001	(6,420)	3,581
E. J. Allman.....											1		1
W. F. Hill.....											160		160
Van-Bur Limited.....											160		160
Estelle Kapp.....											2,000		2,000
Helen Tramiel.....											2,000		2,000
T. A. W. Duncan.....											2,000		2,000
Calder & Co.....											150		150
Shares Issued.....	6	3,996	4,000	8,000	6,500	19,500		48,000	100,002		100,002		100,002
Share Issue Price.....	\$1.00	10¢	50¢	\$1.00	\$1.00	10¢		10¢					
Amount Paid In.....	\$6.00	\$400.00	\$2,000.00	\$8,000.00	\$6,500.00*	\$1,950.00		\$4,800.00	\$23,656.00				

\*Allotted for services rendered according to minutes Dec. 23, 1959.

TABLE 25

**COMMODORE SALES ACCEPTANCE LIMITED**  
**Term Notes, due December 31, 1964 Issued and Outstanding May 20, 1959 to August 24, 1960**

	Issued May 20, 1959	Issued July 22, 1959	Issued October 15, 1959	Issued December 23, 1959	Balance Outstanding December 31, 1959	Transfers to August 24, 1960	Balance Outstanding August 24, 1960
Annett & Company Limited.....	\$ 49,000	\$ 25,000	\$ 25,000	\$ 40,000	\$ 99,000	(\$45,400)	\$ 53,600
Annett Partners Limited.....					40,000	14,000	54,000
Renel Investments Limited.....		12,500			12,500		12,500
Sidney Fromer.....		12,500			12,500		12,500
Mrs. Phyllis McCullagh.....			21,000		21,000		21,000
Robert J. McCullagh.....			19,400		19,400		19,400
J. C. Laidlaw.....			9,600		9,600		9,600
William H. Wallace.....			12,500		12,500		12,500
Van-Bur Limited.....			12,500		12,500		12,500
British Mortgage & Trust Company.....				25,000	25,000	12,000	37,000
James E. McConnell and McConnell, Eastman & Company Limited				25,000	25,000		25,000
Carman G. King.....				10,000	10,000	12,000	22,000
E. J. Allman.....						4,000	4,000
W. F. Hill.....						1,000	1,000
Dontor Company.....						2,400	2,400
Atlantic Acceptance Corporation Limited.....	51,000	50,000	100,000		201,000		201,000
	<u>\$100,000*</u>	<u>\$100,000*</u>	<u>\$200,000*</u>	<u>\$100,000</u>	<u>\$800,000</u>	<u>\$ —</u>	<u>\$500,000</u>

\*Originally issued as demand notes.

ATLANTIC ACCEPTANCE CORPORATION LIMITED  
Acquisition of 6% Convertible Debentures Due August 15, 1975, of Commodore Sales Acceptance Limited

6% Convertible Debentures—Due August 15, 1975					Acquisition by Atlantic Acceptance Corporation Limited	
Term Notes Due December 31, 1964 Exchanged	August 24, 1960		Transfers Subsequent to August 24, 1960		75 Common Shares Issued in Exchange For Each \$1,000 Principal Amount of 6% Convertible Debentures Outstanding at May 11, 1961	
	Subscribed	Balance Outstanding August 24, 1960	Annett Group	Others	Shares Exchanged	Valuation At \$20 A Share
Annett & Company Limited.....	\$ 53,600	\$ 73,600	(\$73,600)		(1) 11,250	\$225,000
Annett Partners Limited.....	50,000	106,600	43,400			
Renel Investments Limited.....	12,500	12,500		(\$12,500)	2,325	46,500
Sidney Fromer.....	12,500	12,500		(12,500)	2,305	44,100
Mrs. Phyllis McCullagh.....	21,000	31,000		( 5,000)	2,375	7,500
Robert J. McCullagh.....	19,400	34,400		5,000	1,095	21,900
George William McCullagh.....					938	18,760
J. C. Laidlaw.....	9,600	14,600			18,740	937
William H. Wallace.....	12,500	12,500			7,425	148,500
Van-Bur Limited.....	12,500	12,500				
British Mortgage & Trust Company.....	37,000	74,000		25,000	3,750	75,000
James E. McConnell and McConnell, Eastman & Company Limited.....	25,000	50,000	(44,000)			
Carman G. King.....	22,000	44,000	( 4,000)			
E. J. Allman.....	4,000	4,000	( 2,000)			
W. F. Hill.....	1,000	2,000	( 4,800)			
Dontor Company.....	2,400	4,800	50,000		3,750	75,000
Trustees of The Eaton Retirement Annuity Plan.....			35,000		2,625	52,500
Netherlands Overseas Corporation Canada Limited.....						
Atlantic Acceptance Corporation Limited.....	201,000	511,000				
	\$500,000	\$1,000,000	—	—	36,675	\$733,500
Share Distribution:						
(1) Alan T. Christie.....					1,440	\$ 28,800
Kathleen Christie.....					4,125	82,500
Carman G. King.....					4,035	80,700
Gordon Ford.....					150	3,000
Wilfrid P. Gregory.....					1,500	30,000
					11,250	\$225,000
(2) C. Powell Morgan.....					2,625	\$ 52,500



# **ATLANTIC ACCEPTANCE CORPORATION LIMITED** **Acquisition of Minority Shareholdings in Commodore Sales Acceptance Limited**

<i>Acquisition By Atlantic Acceptance Corporation Limited</i>									
	Share Balance May 15, 1961	Share Transfers	Atlantic Acquisitions	Share Balance May 15, 1961	Commodore Common Shares Purchased At \$8 A Share To May 16, 1961		Common Shares Exchanged On Basis of 3 Atlantic Common Shares For 8 Commodore Common Shares To May 16, 1961		Valuation At \$80 A Share
					Commodore Shares Purchased	Cash Paid	Commodore Shares Exchanged	Atlantic Shares Issued	
Atlantic Acceptance Corporation Limited.....	52,157	3	47,842	100,002					
Annett & Company Limited.....	1,095	( 1,095)							
Renel Investments Limited.....	2,000	( 2,000)							
Sidney Promer.....	2,000	( 2,000)							
Mrs. Phyllis McCullagh.....	3,360	( 3,360)	( 3,360)				3,360	1,260	\$25,200
Robert J. McCullagh.....	3,104	( 3,104)	( 3,104)				3,104	1,164	23,280
J. C. Laidlaw.....	1,536	( 1,536)	( 1,536)		1,536	\$ 9,216			
William H. Wallace.....	2,000	( 2,000)	( 2,000)		2,000	12,000			
Carman G. King.....	3,805	( 3,805)							
Douglas R. Annett.....	501	( 501)							
Harry Wagman.....	4,000	( 4,000)							
British Mortgage & Trust Company.....	4,420	( 4,420)	(12,420)						
Prismac Limited.....	2,500	( 2,500)	( 2,500)						
Annett Partners Limited.....	3,582	( 3,582)	(15,922)	(1)	7,782	46,692	(1)	4,657	93,140
W. J. Allman.....	160	( 160)					12,420	4,657	18,740
W. F. Hill.....	160	( 160)					2,500	937	61,040
Van-Bur Limited.....	2,000	( 2,000)	( 2,000)				8,140	3,052	
Estelle Kapp.....	2,000	( 2,000)			2,000	12,000			
Helen Rannell.....	2,000	( 2,000)							
T. W. Ducean.....	150	( 150)							
Caldor & Co.....	7,472	( 7,472)							
Netherlands Overseas Corporation Canada Limited.....		5,000	( 5,000)	(2)	5,000	30,000			
	100,002		—	100,002	18,318	\$109,908	29,524	11,070	\$221,400
<i>Cash and Share Distribution:</i>									
(1) Kathleen Christie.....				4,400		\$ 28,400			
Alan T. Christie.....				3,382		20,292			
Carman G. King.....							6,039	2,264	\$ 45,280
E. J. Allman.....							501	188	3,760
Wilfrid P. Gregory.....							1,600	600	12,000
				7,782		\$ 46,692	8,140	3,052	\$ 61,040
(2) C. Powell Morgan.....				5,000		\$ 30,000			

TABLE 28

AURORA LEASING CORPORATION LIMITED

Share and Note Subscriptions  
Handled through Solomon & Samuel accounts

November 10, 1960 to December 14, 1960

Date of deposit	Subscriber	Amount Deposited in Solomon & Samuel trust account for Aurora	Par value of 7% notes issued	Aurora shares issued		N.G.K. shares issued	
				Number	Price	Number	Price
November 10, 1960	Granite Investments & Development Limited .....	\$ 12,000	\$ 10,000	100	\$ 2,000		
November 10, 1960	Reginald Palmer .....	12,000	10,000	100	2,000		
November 15, 1960	British Mortgage & Trust Company* .....	80,000	60,000	1,000	20,000		
November 15, 1960	Ann P. Gregory* .....	5,000		250	5,000		
November 21, 1960	Annett Partners Limited .....	5,000		250	5,000		
December 9, 1960	Annett Partners Limited (Carman G. King) .....	34,000		700	14,000		
December 12, 1960	Steinhart Holdings Limited .....	48,080	40,000	400	8,000	400	\$ 80
December 14, 1960	John Lynch .....	12,020	10,000	100	2,000	100	20
		<u>\$208,100</u>	<u>\$150,000</u>	<u>2,900</u>	<u>\$58,000</u>	<u>500</u>	<u>\$100</u>

\*The deposit slip of November 15, 1960 does not indicate the name of the subscriber; however, Solomon & Samuel's letter of November 14, 1960 to H. Wagman gives this information.

TABLE 29

Share and Note Subscriptions  
Handled through Guaranty Trust Account No. 13324

December 14, 1960 to May 10, 1961

Date of Deposit	Subscriber	Amount Deposited in Account 13324	Par Value of 7% Notes Issued	Aurora Shares Issued		Amount Attributed Accrued Interest and/or N.G.K. Shares†
				Number	Price	
December 31, 1960	Louis W. Spencer* .....	\$24,040.00	\$20,000	200	\$ 4,000	\$ 40.00
March 13, 1961	William A. Willis .....	6,010.00	5,000	50	1,000	10.00
March 13, 1961	R. R. Service .....	6,010.00	5,000	50	1,000	10.00
April 6, 1961	Aneda Fisher .....	6,000.00	5,000	50	1,000	
April 6, 1961	D. Giannini .....	6,020.00	5,000	50	1,000	20.00
April 14, 1961	W. J. Wilson .....	6,023.42	5,000	50	1,000	23.42
April 14, 1961	Florence Welch .....	6,023.42	5,000	50	1,000	23.42
April 25, 1961	Robert Ducas .....	6,033.00	5,000	50	1,000	33.00
April 25, 1961	Dr. M. A. Charlebois .....	6,033.00	5,000	50	1,000	33.00
		<u>\$72,192.84</u>	<u>\$60,000</u>	<u>600</u>	<u>\$12,000</u>	<u>\$192.84</u>

\*The deposit slip for account 13324 does not indicate that this deposit is from Spencer; however, Solomon's trust account for Aurora shows receipt of \$24,040 from Spencer on December 30, 1960 and a cheque payable to W. L. Walton for the same amount is drawn on Solomon's trust account for Aurora on December 30, 1960. The back of the Solomon cheque to W. L. Walton is endorsed for account 13324.

†Two letters from C. M. Solomon to Welch and Wilson and some typed notes re Charlebois and Ducas indicate that these amounts are attributable to accrued interest and N.G.K. shares.

TABLE 30

## C. P. MORGAN, WM. L. WALTON AND H. WAGMAN

Statement of Investments  
as at August 31, 1962

		Approximate Market Value	
<b>Shares in public companies:</b>			
70,000 Shares The Dale Estate Limited	@ \$ 3.00	\$210,000.00	
62,000 Shares Commodore Business Machines Inc.	@ 4.00	252,000.00	
33,000 Shares Fredericks Dept. Stores Ltd.	@ 2.00	66,000.00	
1,500 Shares Aurora Leasing Corporation Ltd.	@ 10.00	15,000.00	
2,100 Shares N.G.K. Investments Limited	@ 10.00	21,000.00	
88,000 Shares Arcan Corporation Limited	@ .75	66,000.00	
30,000 Shares Dominion Leaseholds Limited	@ .60	18,000.00	
3,000 Shares Atlantic Acceptance Corp. Ltd.	@ 20.00	60,000.00	
30,558 Shares The Dale Estate Limited	@ 3.00	91,674.00	
50,000 Warrants The Dale Estate Limited	@ .06	3,000.00	\$ 802,674.00
<b>Loans receivable:</b>			
N.G.K. Investments—Convertible Notes		\$ 20,000.00	
Valley Farm & Enterprises Limited		221,391.00	
Dallas Holdings Limited		6,600.00	
Yarrum Investments Limited		8,500.00	
Hilltop Holdings Limited		12,776.64	\$ 269,267.64
<b>Shares in private companies—(Valued at Cost)</b>			
<i>Common</i>	<i>Preferred</i>		
9		Valley Farm & Enterprises Ltd.	\$ 9.00
3		Dallas Holdings Ltd.	3,950.00
3000	10,000	Cleardale Properties Ltd.	10,000.00
3		Yarrum Investments Ltd.	3.00
10		Hilltop Holdings Ltd.	100.00
100%		Chartered Management Consultants	100.00
100%		Triangle Warehousing Limited	1,500.00
100%		Canada Motor Products Limited	20,000.00
6669	1,656	John Belli Operations Limited	22,500.00
			\$ 58,162.00
<b>Less: loans payable</b>			
Canadian Imperial Bank of Commerce		\$266,747.50	
Toronto-Dominion Bank		100,000.00	\$ 366,747.50
<b>NET EQUITY</b>			<u>\$ 763,356.14</u>
<b>Divided as Follows:</b>			
C. P. Morgan		\$254,452.05	
Wm. L. Walton		254,452.04	
Harry Wagman		254,452.05	
		<u>\$763,356.14</u>	

(N.B. This table is a reproduction of the original documents found among the papers of W. L. Walton and Harry Wagman.)

TABLE 31

AURORA LEASING CORPORATION LIMITED

Share and Note Subscriptions  
Handled through Guaranty Trust a/c 13324

May 10, 1961 to June 16, 1961

<i>Date of deposit</i>	<i>Subscriber</i>	<i>Amount deposited in account 13324</i>	<i>Par value of 7% notes issued</i>	<i>Amount attributed to accrued interest and/or discount*</i>
May 12, 1961	W. H. Wallace.....	\$14,367.95	\$15,000.00	\$ (632.05)
May 12, 1961	R. Roch.....	4,789.32	5,000.00	(210.68)
May 29, 1961	Various subscriptions made through Aurora....	38,000.00	40,000.00	(2,000.00)
May 29, 1961	Dr. Keith Burwell.....	14,250.00	15,000.00	(750.00)
June 16, 1961	J. J. Richardson for Dorothy Richardson.....	15,000.00	15,000.00	
		<u>\$86,407.27</u>	<u>\$90,000.00</u>	<u>\$(3,592.73)</u>

\*A typed note to William H. Wallace concerning his share subscription and that of R. Roch indicates that these balances are attributed to accrued interest and discount.

TABLE 32

Note Subscriptions for May 26, 1961 (Second)  
Issue of \$300,000 7% Notes

<i>Subscriber</i>	<i>Subscription paid</i>	<i>Discount</i>	<i>Par value of 7% notes issued</i>
Dorothy Martin.....	\$ 4,750	\$ 250	\$ 5,000
British Mortgage.....	57,000	3,000	60,000
Prismae.....	25,000		25,000
J. E. McConnell.....	25,000		25,000
Arnold S. Blackschoeder.....	50,000		50,000
J. K. Punchard.....	1,000		1,000
Cudd & Co.....	10,000		10,000
Chas M. Clarke Jr.....	10,000		10,000
A. T. Christie.....	23,750	1,250	25,000
Granite Investments.....	9,500	500	10,000
Annett Partners.....	114,750	1,250	116,000
G. T. Ford.....	3,000		3,000
	<u>\$333,750</u>	<u>\$6,250</u>	<u>\$340,000</u>
Cheque paid to W. L. Walton May 26, 1961.....	38,000	2,000	40,000
Per Aurora books.....	<u>\$295,750</u>	<u>\$4,250</u>	<u>\$300,000</u>

TABLE 33

## AURORA LEASING

Summary of Cash Receipts and Disbursements of Messrs. Walton  
Corporation Limited Recorded in the Accounts

August 30, 1960

## CASH RECEIPTS

## Payments from Solomon and Samuel Trust Account for Aurora deposited in Account No. 13324

December 16, 1960 .....	\$ 12,000.00	
December 30, 1960 .....	24,040.00	
December 30, 1960 .....	60,974.21	
December 30, 1960 .....	82.76	
April 7, 1961 .....	1,000.00	
September 15, 1961 .....	420.00	
		\$ 98,516.97

## Payments from Solomon &amp; Samuel Trust Account for Aurora to C. P. Morgan

November 24, 1960 .....	\$ 10,000.00
-------------------------	--------------

## Deposits in Account No. 13324 re Shares and Notes of Aurora

March 13, 1961	William A. Willis .....	\$ 6,010.00
March 13, 1961	R. R. Service .....	6,010.00
April 6, 1961	A. Fisher .....	6,000.00
April 6, 1961	D. Giannini .....	6,020.00
April 14, 1961	W. J. Wilson .....	6,023.42
April 14, 1961	F. Welsh .....	6,023.42
April 25, 1961	R. Ducas .....	6,033.00
April 25, 1961	M. A. Charlebois .....	6,033.00
May 12, 1961	W. H. Wallace .....	14,367.95
May 12, 1961	R. Roch .....	4,789.32
May 29, 1961	Aurora .....	38,000.00
May 29, 1961	Dr. K. Burwell .....	14,250.00
June 16, 1961	J. J. Richardson .....	15,000.00
		\$134,560.17

## Interest payments by Aurora on 7% Notes

January 3, 1961	Morgan .....	\$ 195.61
January 3, 1961	Walton (A.J.C. Investments) .....	195.61
January 3, 1961	Wagman .....	195.62
March 31, 1961	Morgan .....	485.52
	Walton .....	485.52
	Wagman .....	485.52
June 30, 1961	Morgan .....	316.43
	Walton .....	105.48
		\$ 2,465.31

## Deposit in Account No. 13324 re Valley Music

December 31, 1960 .....	\$ 14,956.31
Total received by Messrs. Walton, Wagman and Morgan .....	\$260,498.78



# CORPORATION LIMITED

## Wagman and Morgan Relating to the Affairs of Aurora Leasing Solomon & Samuel and Guaranty Trust Account No. 13324

December 31, 1961

### CASH DISBURSEMENTS

Payments to Solomon's Trust Account for Aurora		
October 13, 1960	from Morgan	\$ 8,333.33
October 13, 1960	from Account No. 13324	16,666.67
January 13, 1961	from Account No. 13324	7,000.00
		<u>\$ 32,000.00</u>
Payments to Aurora		
December 30, 1960	from Account No. 13324	\$ 48,437.57
Payments to Mecklar and Lazar (Shareholders' Loans)		
January 17, 1961	from Account No. 13324	\$ 40,540.65
April 25, 1961	from Account No. 13324	87.09
July 10, 1961	from Account No. 13324	4,180.80
		<u>\$ 44,788.54</u>
Payment to Valley Farm re Blacklock		
July 19, 1961	from Account No. 13324	\$ 38,000.00
Total cash payments by Messrs. Walton, Wagman and Morgan		<u>\$163,226.11</u>

### ANALYSIS OF EXCESS OF CASH RECEIPTS OVER DISBURSEMENTS

Cash receipts	\$260,498.76
Cash disbursements	163,226.11
Excess	<u>\$ 97,272.65</u>
An accounting of this excess of cash receipts follows:	
Balance remaining from settlement of Valley Music debts to finance companies \$39,956.37 less \$25,000.00 paid on behalf of Valley Music and/or George Blacklock	\$ 14,956.37
George Blacklock's 7% Aurora notes \$90,000 Less consideration for \$40,000.00 paid him	50,000.00
Aurora debts which were to be discharged by Walton, Wagman and Morgan but were not paid from Account No. 13324 consisting of the following:	
Lavan Trust	\$ 14,000.00
Miscellaneous Loans	9,976.42
Rosenburg Smith fee	\$ 3,500.00
Less amount paid	2,500.00
	<u>1,000.00</u>
	24,976.42
Sale price of 3,500 Aurora Shares	\$ 70,000.00
Less cost to acquire 5,000 Shares	69,000.00
	<u>1,000.00</u>
Interest received on Aurora 7% Notes	2,465.31
Other items, relating mainly to interest and exchange differences between U.S. and Canadian dollars	3,874.55
	<u>\$ 97,272.65</u>

TABLE 34

JOHN BELLI

Analysis of Consolidation

June 20

	Premier Finance Limited	Commodore Sales Acceptance Limited	Executi Accepta Limite
Balances at June 20, 1960 per general ledger prior to consolidation of loans and finance contracts.....	Cr. \$12,096.00	Cr. \$16,133.07	Cr. \$11,350.00
Recording of consolidation of loans and finance contracts as per general journal entry June 20, 1960.....	Dr. 12,096.00	Dr. 16,133.07	Dr. 11,350.00
Balances at June 20, 1960 per general ledger after consolidation of loans and finance contracts.....	<u>—</u>	<u>—</u>	<u>—</u>
	Premier Finance Limited	Commodore Sales Acceptance Limited	Executi Accepta Limite
Disbursed on behalf of John Belli Operations Limited per statement of Walton, Wagman & Company dated June 20, 1960.....	\$12,096.00	\$16,133.07	\$11,350.00
Less: Payments re: Subscription for Preferred Shares as follows.....	<u>\$12,096.00</u>	<u>\$16,133.07</u>	<u>\$11,350.00</u>
Cheques paid out of Guaranty Trust Company of Canada Acct. No. 13324, June 21/60 No. 33 C. P. Morgan.....			
“ No. 39 John Belli.....			
“ No. 40 John Shemilt.....			
“ Cheque certification entry			
“ Robert L. Hunter.....			
“ “ Bank of Nova Scotia for \$9,800.00 allocated as follows.....			
“ No. 43 Executive Acceptance Corp. Ltd.....			\$10,000.00
“ No. 44 Premier Finance Corp. Ltd.....	\$11,000.00		
“ No. 45 Commodore Sales Acceptance Ltd.....		\$11,000.00	
	<u>\$11,000.00</u>	<u>\$11,000.00</u>	<u>\$10,000.00</u>
Variance in amount advanced by Atlantic Acceptance Corporation Limited and amount disbursed as per Walton, Wagman & Company statement dated June 20, 1960.....	<u>\$ 1,096.00</u>	<u>\$ 5,133.07</u>	<u>\$ 1,350.80</u>
Allocation of variance			
Cheque No. 7 drawn on Guaranty Trust Company of Canada—dated June 21, 1960—paid to the order of “Cash” (Notation in pass book “Re C.P.M.”).....			
Cheque No. 46 drawn on Guaranty Trust Company of Canada—dated June 21, 1960—paid to the order of Solomon and Samuel.....			
Balance of advance remaining in account No. 13324 Guaranty Trust Company of Canada at June 21, 1960.....			

# PERATIONS LIMITED

## loans and Finance Contracts

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Loans Payable Acct. No. 37	Notes Payable	John Belli Acct. No. 50	Hastings Park Estates Ltd.	Atlantic Acceptance Corporation Limited	Class "A" Preferred Shares	Totals
\$ 1,500.00	Cr. \$30,000.00	Cr. \$12,227.98	Cr. \$ 2,525.00			Cr. \$85,832.91
1,500.00	Dr. 30,000.00	Dr. 12,227.98	Dr. 2,525.00	Cr. \$65,132.91	Cr. \$20,700.00	—
—	—	—	—	Cr. \$65,132.91	Cr. \$20,700.00	Cr. \$85,832.91

C. P. Morgan	John Belli	John Shemilt	R. Hunter	Atlantic Acceptance Corporation Limited	Class "A" Preferred Shares	Totals
\$10,500.00 2,300.00	\$14,752.98 13,800.00	\$10,500.00 2,300.00	\$10,500.00 2,300.00		\$20,700.00	\$85,832.91
\$ 8,200.00	\$ 952.98	\$ 8,200.00	\$ 8,200.00		\$20,700.00	\$85,832.91
\$ 8,200.00	\$ 952.98	\$ 3,300.00	\$ 3,300.00	\$ 8,200.00 952.98 3,300.00		
		4,900.00	4,900.00	3,300.00		
				9,800.00 10,000.00 11,000.00 11,000.00		
\$ 8,200.00	\$ 952.98	\$ 8,200.00	\$ 8,200.00	\$57,552.98		
—	—	—	—	\$ 7,579.93		
				\$65,132.91	\$20,700.00	\$85,832.91
				\$ 2,500.00 79.93 5,000.00		
				\$ 7,579.93		

TABLE 35

## FREDERICK'S DEPARTMENT

## Detailed Schedule

October 2, 1901

Shareholder's Name	Number of Shares Acquired	Price per Share Paid	Total Consideration
D. L. M. Adams.....	5,000	\$2.00	\$ 10,000
F. C. Adams.....	100,001	1.00 }	110,000
F. C. Adams.....	5,000	2.00 }	
F. M. Adams.....	2,500	2.00	5,000
D. R. Annett.....	5,000	2.00	10,000
K. Christie.....	10,000	2.00	20,000
W. P. Gregory.....	5,000	2.00	10,000
C. G. King.....	10,000	2.00	20,000
J. C. Laidlaw.....	4,500	2.00	9,000
C. P. Morgan.....	10,001	1.00	10,000
B. L. McFadden.....	3,000	2.00	6,000
N.G.K. Investments Ltd.....	45,000	1.00 }	77,200
N.G.K. Investments Ltd.....	16,100	2.00 }	
D. W. Reid.....	25,001	1.00 }	35,000
D. W. Reid.....	5,000	2.00 }	
W. A. Pike.....	1,000	2.00	2,000
H. Wagman.....	10,000	1.00	10,000
W. L. Walton.....	10,000	1.00 }	16,000
W. L. Walton.....	3,000	2.00 }	
J. Aylward.....	1,000	2.00	2,000
F. J. Blackwell.....	5,000	2.00	10,000
G. A. Clements.....	250	2.00	500
G. E. Coles.....	2,500	2.00	5,000
K. F. Crowe.....	500	2.00	1,000
V. K. Downer.....	2,500	2.00	5,000
W. Easton.....	2,000	2.00	4,000
A. Escaf.....	1,000	2.00	2,000
E. Escaf.....	2,000	2.00	4,000
F. Escaf.....	2,000	2.00	4,000
Federal Fruit Company Limited.....	10,000	2.00	20,000
C. M. Fines.....	2,000	2.00	4,000
A. C. Gay.....	200	2.00	400
J. D. Kent.....	3,000	2.00	6,000
G. Khoury.....	150	2.00	300
B. J. Lehman.....	5,000	2.00	10,000
R. J. McCullagh.....	4,500	2.00	9,000
P. McCullagh.....	4,500	2.00	9,000
A. M. McLaren.....	1,000	2.00	2,000
N. A. Mitchell.....	7,500	2.00	15,000
R. H. Olver.....	5,000	2.00	10,000
E. E. Palmer.....	1,000	2.00	2,000
R. A. Palmer.....	2,000	2.00	4,000
C. Powell.....	5,000	2.00	10,000
J. Richardson.....	2,000	2.00	4,000
L. Richardson.....	3,000	2.00	6,000
E. Wolcott.....	300	2.00	600
<b>Total.....</b>	<b>350,003</b>		<b>\$500,000.00</b>

Note: The total amount of consideration differs from the general ledger and the financial statements by \$400.00.

## Shareholdings

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TABLE 36

**COMMODORE BUSINESS MACHINES (CANADA) LIMITED**

## Condensed Consolidated Balance Sheets

### January 31, 1959 to June 30, 1965

	June 30, 1965	June 30, 1964	June 30, 1963	June 30, 1962	June 30, 1961	January 31, 1961	January 31, 1960	January 31, 1959
<b>ASSETS</b>								
Cash.....	\$ 95,138	\$ 225,763	\$ 308,825	\$ 445,027*	\$ 3,483	\$ 103,775	—	\$ 1,715
Time deposit.....	—	408,307†	—	—	—	—	—	—
Accounts and other items receivable.....	1,698,074	1,770,799	1,315,908	1,187,535	266,888	506,873	\$ 187,829	24,442
Inventory.....	2,336,461	1,932,676	1,881,423	1,704,652	747,893	1,203,003	333,207	44,080
Total current assets.....	\$4,129,673	\$4,337,545	\$3,506,156	\$3,337,214	\$1,018,244	\$1,813,651	\$591,036	\$70,217
Investments in other corporations.....	470,700	1,066,177	1,137,034	—	950	—	25,000	—
Advances.....	693,519	330,784	234,313	92,098	323,558	271,528	19,951	—
Fixed assets.....	1,548,319	235,026	95,715	71,102	7,193	17,272	25,488	—
Intangible assets (includes goodwill, research and development and commissions on issue of securities).....	1,545,155	513,470	371,647	162,832	3,461	11,303	11,474	19,391
Total assets.....	\$8,387,366	\$7,201,002	\$5,344,865	\$3,663,246	\$1,353,406	\$2,113,754†	\$602,240†	\$99,608
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>								
Bank loans.....	\$ 663,011	\$ 439,593	\$ 50,000	—	—	—	\$ 8,879	—
Accounts and notes payable.....	2,270,978	1,464,045	1,133,667	\$ 1,023,942	\$ 129,714	\$ 470,485	200,703	—
Advances from financial companies.....	—	961,996	658,897	848,052	772,325	742,896	355,554	—
Other short term liabilities.....	98,170	267,135	263,613	192,935	36,498	425,649	26,937	—
Total current liabilities.....	\$3,032,159	\$3,132,739	\$2,106,177	\$2,064,929	\$ 938,537	\$1,639,030	\$592,073	\$78,408
Other long term liabilities.....	229,435	—	—	—	—	—	—	11,000
Long term notes payable.....	—	283,819	351,770	459,323	273,723	278,871	—	—
Mortgages payable.....	84,900	116,100	—	—	—	—	—	—
Convertible debentures and subordinated notes.....	2,878,590	2,123,000	1,600,000	—	—	—	—	—
Minority interest.....	—	—	—	—	—	—	—	—
Shareholders' Equity:								
Preferred shares.....	1,000,000	—	—	—	25,000	—	—	—
Common shares.....	1,263,892	829,382	751,032	751,032	200,400	—	—	—
Contributed surplus.....	245,168	245,168	245,168	235,168	—	200	200	200
Capital surplus.....	96,305	33,144	33,144	33,144	148,594	151,028	—	—
Retained earnings.....	(442,993)	437,650	257,574	119,650	(32,848)	18,508	(946)	—
Total.....	\$8,387,366	\$7,201,002	\$5,344,865	\$3,663,246	\$1,353,406	\$2,113,754†	\$602,240†	\$99,608

\*Includes cash on deposit with finance company following stock issue.

†Time deposit with finance company to secure borrowings of subsidiary.

Goods on consignment (an asset and liability contra account) are not included in this summary.

# Financing of Debt and Equity Issues (not including shares options and conversions)

TABLE 37

Date of Issue	Security Issued and Name of Major Purchaser(s)	Net Proceeds Received by Commodore	Source of Funds (Loans or Investments)		
			Miscellaneous or Unknown Sources	Aurora Leasing Corporation Limited	British Mortgage & Trust Co. Commodore Business Machines (Canada) Limited
November 1958 to April 1961	Private issue of 200,000 shares of common stock.....	\$ 200.00	\$ 200.00		
December 15, 1961	Private issue of 316,000 shares of common stock..... Don Mills.....	235,800.00	135,800.00	\$ 100,000.00	
June 29, 1962	Public issue of 300,000 shares of Commodore stock..... Dallas Holdings Limited..... British Mortgage & Trust.....	675,000.00	65,013.50	601,178.60	\$ 25,000.00
November 30, 1962	Public issue of \$1,000,000 7% convertible debentures—Series A with 100,000 warrants attached and 100,000 warrants issued separately.. Dallas Holdings Limited..... Lambert Management Corporation..... British Mortgage & Trust..... Members of the firm of Lambert and Company (or their wives)..... Members of the firm of Annett and Company (or their wives)..... Officers of Commodore Business Machines and its subsidiaries..... Bank accounts as nominees..... Other clients and miscellaneous.....	945,000.00	7,000.00	191,000.00 300,000.00	50,000.00
May 9, 1963	Private placement of \$600,000 7% convertible debentures—Series B debentures with warrants attached..... Carman G. King..... Douglas Annett..... C. Powell Morgan..... Maufred Kapp..... Harry Wagman..... William L. Walton..... J. Aubrey Medland.....	600,000.00			50,000.00 50,000.00 100,000.00 100,000.00 100,000.00 100,000.00
April 29, 1964	Private placement of \$600,000 7% convertible debentures—Series C and warrants attached..... Associated Canadian Holdings Ltd..... N.G.K. Investments Limited..... Jack Traniel.....	570,000.00	37,500.00 95,000.00		200,000.00 250,000.00
December 28, 1964	Private placement of \$1,000,000 6½% subordinated note and 100,000 6% preferred stock series A—\$10 par value..... Trans-Commercial Acceptance Limited.....	1,925,000.00			1,500,000.00
April 7, 1965	Issue of 7,500 common shares in exchange for all of the outstanding shares of Pealsound Distributors Limited..... Evercase Office Equipment Limited.....	70,000.00	\$2,500.00 \$945,213.50	\$1,192,178.60	\$2,535,000.00 \$500,000.00
Total funds received through long term capitalization.....		\$5,021,000.00			

TABLE 38

COMMODORE SAL

## History of Operating Loans to Commodore Busine

(Not Including Inter

From October 19

<i>Date</i>	<i>Accounts Receivable 15%</i>	<i>Holdback Reserve</i>	<i>Long Term Note Receivable 8.8%</i>	<i>Holdback Reserve</i>	<i>Inventory Advances on Trust Receipt 16% to 1962 12% Thereafter</i>	<i>Special Accounts 7%</i>	<i>Note Receivable 15% to 1962 12% Thereafter</i>	<i>Special Note Receivable 16% to 1962 12% Thereafter</i>	<i>Operating Account 16%</i>	<i>Reserve Accts. R</i>
1961-Oct.	\$146,853.98	(\$14,680.10)	—	—	\$471,221.95	\$137,535.00	\$ 58,186.59	\$ 81,970.10	—	—
Nov./61	136,627.15	(26,954.11)	\$406,000.00	(\$95,180.00)	432,844.77	100,000.00	JE 0	19,369.00	—	—
Dec./61	156,858.51	(22,882.95)	403,800.00	(92,980.00)	366,844.28	100,000.00	—	42,913.24	—	—
Jan./62	116,160.80	(26,596.48)	401,600.00	(90,780.00)	280,870.32	0	—	8,956.50	—	—
Feb.	98,090.30	(19,212.15)	399,400.00	(88,580.00)	268,735.98	—	—	16,294.50	—	—
March	82,867.30	(7,616.02)	397,200.00	(86,380.00)	262,202.98	—	—	35,785.00	—	—
April	52,556.16	(6,276.25)	395,000.00	(84,180.00)	268,387.00	—	15,000.00	38,735.50	—	—
May	50,237.21	(5,596.25)	392,800.00	(81,980.00)	350,844.16	—	15,000.00	59,465.16	—	—
June	JE 0	JE 0	390,600.00	(79,780.00)	JE 0	(387,949.98)	JE 0	JE 0	—	—
July	11,086.92	—	388,400.00	(77,580.00)	4,918.50	0	—	—	—	—
Aug.	38,619.76	—	386,200.00	(75,380.00)	154,012.97	—	—	\$118,244.52	—	—
Sept.	65,719.94	—	384,000.00	(73,180.00)	184,970.97	—	—	(1,646.16)	—	—
Oct.	106,370.40	—	381,800.00	(70,980.00)	240,945.47	—	—	(36,856.53)	—	—
Nov.	0	—	379,600.00	(68,780.00)	0	—	—	(63,140.32)	—	—
Dec./62	—	—	372,400.00	(66,580.00)	—	—	—	0	—	(\$616,543.6
Jan./63	—	—	365,236.00	(64,380.00)	12,561.77	—	201,825.00	—	—	(160,440.1
Feb.	—	—	358,108.00	(62,288.00)	25,061.77	—	201,825.00	—	—	(93,400.6
March	—	—	351,016.00	(60,196.00)	25,061.77	—	211,825.00	—	—	(93,531.6
April	—	—	343,960.00	(58,140.00)	76,800.02	—	211,825.00	700,000.00	—	(93,451.9
May	—	—	336,940.00	(56,120.00)	204,800.02	—	231,825.00	135,172.50	—	(93,477.6
June	—	—	329,956.00	(54,136.00)	61,095.64	—	231,825.00	0	—	(93,513.5
July	—	—	323,008.00	(52,188.00)	68,895.64	—	231,825.00	—	—	(93,513.5
August	—	—	316,096.00	(50,276.00)	124,645.64	—	231,825.00	—	—	(93,549.5
Sept.	—	—	309,220.00	(48,400.00)	143,802.83	—	231,825.00	—	—	(93,818.5
Oct.	—	—	307,380.00	(46,560.00)	175,979.99	—	231,825.00	—	—	(93,894.5
Nov.	—	—	305,540.00	(44,720.00)	171,479.99	—	231,825.00	—	—	(80,934.31
Dec./63	—	—	298,700.00	(42,880.00)	JE 0	—	JE 0	—	—	(9,473.96
Jan./64	—	—	291,896.00	(41,076.00)	—	—	—	—	—	JE 0
Feb.	—	—	285,128.00	(39,308.00)	—	—	—	—	—	—
March	—	—	278,396.00	(37,576.00)	—	—	—	—	—	—
April	—	—	271,700.00	(35,880.00)	—	—	—	—	—	—
May	—	—	265,040.00	(34,220.00)	—	—	—	—	—	—
June	—	—	258,416.00	(32,596.00)	—	—	—	—	—	—
July	—	—	251,792.00	(31,008.00)	—	—	—	—	—	—
Aug.	—	—	245,240.00	(29,456.00)	—	—	—	—	—	—
Sept.	—	—	238,724.00	(27,940.00)	—	—	—	—	—	—
Oct.	—	—	237,244.00	(26,460.00)	—	—	—	—	—	—
Nov.	—	—	235,764.00	(24,980.00)	—	—	—	—	—	—
Dec./64	—	—	229,284.00	(23,500.00)	—	—	—	125,000.00	—	—
Jan./65	—	—	222,840.00	(22,056.00)	—	—	—	(125,000.00)	—	—
Feb.	—	—	216,432.00	(20,648.00)	—	—	—	0	—	—
March	—	—	210,060.00	(19,276.00)	—	—	—	—	—	—
April	—	—	203,724.00	(17,940.00)	—	—	—	—	—	—
May	—	—	197,424.00	(16,640.00)	—	—	—	—	—	—
June 17/65	—	—	197,424.00	(16,008.00)	—	—	—	—	—	—

# ACCEPTANCE LIMITED

(Machines (Canada) Limited and Associated Companies

(Accrued and Receivable)

June 17, 1965

Reserve cc. Rec.	Installment Notes 18%	Reserve for Unearned Interest	Kovo a/c Pay. 18% Cr.	Commodore Drycopy Ltd. 15% to 1963 12% Thereafter	Humber Typewriter Ltd. 15% to 1963 12% After	Evermac Office Equipment Co. Ltd. 15% to 1963 12% After	Trans- Commercial Acceptance 8 1/2%	Total Loans by Commodore Sales	Total Loans by Commodore Sales and its Subsidiary Commodore Factors	Date
—	—	—	(\$ 84,181.54)	—	—	—	—	—	—	1961-Oct.
9,345.75)	—	—	(109,591.86)	—	—	—	—	—	—	Nov./61
ø	—	—	(153,492.26)	—	—	—	—	\$ 801,060.82	\$ 1,389,892.06	Dec./61
—	—	—	(165,885.51)	—	—	—	—	—	—	Jan./62
—	—	—	(172,881.17)	—	—	—	—	—	—	Feb.
—	—	—	(168,062.17)	—	—	—	—	—	—	March
—	—	—	(166,955.77)	—	—	—	—	—	—	April
—	—	—	(169,296.33)	—	—	—	—	—	—	May
—	—	—	JE ø	—	—	—	—	(77,129.98)	908,998.54	June
—	—	—	—	\$ 72,605.42	—	—	—	—	—	July
—	—	—	—	218,584.42	—	\$ 53,000.00	—	—	—	Aug.
—	—	—	—	352,025.13	—	65,120.00	—	—	—	Sept.
—	—	—	—	365,525.13	—	65,120.00	—	—	—	Oct.
—	—	—	—	375,525.13	\$105,696.50	65,120.00	—	—	—	Nov.
—	Transferred from	—	—	JE ø	120,696.50	64,020.00	—	330,096.36	1,385,485.06	Dec./62
—	Commodore Factors	—	—	—	148,620.98	64,020.00	—	—	—	Jan./63
—	\$238,417.20 (\$41,452.34)	—	—	62,646.46	144,620.98	64,020.00	—	—	—	Feb.
—	233,745.55 (40,057.69)	—	—	62,646.46	139,620.98	64,020.00	—	—	—	March
36,738.25)	229,074.90 (38,687.04)	ø	—	62,646.46	135,620.98	ø	—	—	—	April
36,738.25)	224,368.25 (37,340.39)	—	—	62,646.46	171,222.12	—	—	—	—	May
36,738.25)	219,715.60 (36,017.74)	—	—	62,646.46	171,222.12	300,000.00	—	1,156,055.24	1,741,635.90	June
36,738.25)	215,086.95 (34,719.09)	—	—	59,646.46	169,222.12	300,000.00	—	—	—	July
36,738.25)	210,482.30 (33,444.44)	—	—	59,646.46	169,222.12	300,000.00	—	—	—	Aug.
36,738.25)	205,901.65 (32,193.79)	—	—	59,646.46	172,617.30	300,000.00	—	—	—	Sept.
36,738.25)	204,665.00 (30,967.14)	—	—	59,646.46	167,117.30	300,000.00	—	—	—	Oct.
36,738.25)	203,448.35 (29,740.49)	—	—	47,793.96	164,617.30	300,000.00	—	—	—	Nov.
ø	198,891.70 (28,513.84)	—	—	JE ø	JE ø	JE ø	\$ 917,830.34	1,344,028.20	1,886,355.18	Dec./63
—	194,359.05 (27,311.19)	—	—	—	—	—	918,215.91	—	—	Jan./64
—	189,850.40 (26,132.54)	—	—	—	—	—	869,691.88	—	—	Feb.
—	185,365.75 (24,977.89)	—	—	—	—	—	860,117.65	—	—	March
—	180,905.10 (23,847.24)	—	—	—	—	—	846,888.77	—	—	April
—	176,468.45 (22,740.59)	—	—	—	—	—	910,565.06	—	—	May
—	172,055.80 (21,657.94)	—	—	—	—	—	960,600.39	1,336,818.25	2,492,003.28	June
—	167,667.15 (20,599.29)	—	—	—	—	—	1,008,714.33	—	—	July
—	163,302.50 (19,564.64)	—	—	—	—	—	1,020,869.83	—	—	Aug.
—	158,961.85 (18,553.09)	—	—	—	—	—	961,718.99	—	—	Sept.
—	157,975.20 (17,567.34)	—	—	—	—	—	942,787.87	—	—	Oct.
—	156,988.55 (16,580.69)	—	—	—	—	—	943,875.37	—	—	Nov.
—	152,671.90 (15,594.04)	—	—	—	—	—	286,875.37	629,737.23	1,301,451.93	Dec./64
—	148,379.25 (14,631.39)	—	—	—	—	—	202,375.37	—	—	Jan./65
—	144,110.60 (13,692.74)	—	—	—	—	—	245,175.37	—	—	Feb.
—	139,865.95 (12,778.09)	—	—	—	—	—	232,175.37	—	—	March
—	135,645.60 (11,887.44)	—	—	—	—	—	526,175.37	—	—	April
—	131,448.65 (11,020.79)	—	—	—	—	—	911,679.75	—	—	May
—	131,448.65 (10,599.47)	—	—	—	—	—	911,679.75	1,213,944.93	2,039,753.75	June 17/65



TABLE 39

# COMMODORE History of Operating Loans to Commodore Business Machines (Canada) Ltd. (Not Including Interest) From October 1961

Date	Herald Superior— C.B.M. Inc. Loan Rec.	Commodore Business Machines (Canada) Ltd.			Commodore Drycopy Inc. 15% to 15 12% Thereafter
		Installment Notes 15%	Reserve for Unearned Interest	Special Reserve	
1961-October .....	\$544,604.60	—	—	—	—
November .....	346,437.09	\$270,611.95	(\$63,404.09)	—	—
December/61 .....	381,623.38	269,145.30	(61,937.44)	—	—
January/62 .....	425,754.02	267,678.65	(60,470.79)	—	—
February .....	422,294.68	266,212.00	(59,004.14)	—	—
March .....	488,241.41	264,745.35	(57,537.49)	—	—
April .....	474,638.98	263,278.70	(56,070.84)	—	—
May .....	601,575.47	261,812.05	(54,604.19)	—	—
June .....	778,920.76	260,345.30	(53,137.54)	—	—
July .....	563,235.14	258,878.75	(51,670.89)	—	—
August .....	692,204.93	257,412.10	(50,204.24)	—	—
September .....	775,005.46	255,945.45	(48,737.59)	—	—
October .....	785,194.56	254,478.80	(47,270.94)	—	\$ 28,700.00
November .....	670,794.72	253,012.15	(45,804.29)	—	45,200.00
December/62 .....	556,640.28	248,015.50	(44,337.64)	(\$36,094.27)	103,808.30
January/63 .....	383,017.31	243,218.85	(42,870.99)	(36,094.27)	122,808.30
February .....	403,202.40	Transferred to Commodore Sales		(36,094.27)	132,808.30
March .....	367,844.80	—	—	(36,094.27)	157,808.30
April .....	292,987.84	—	—	JE φ *	164,808.30
May .....	197,779.68	—	—	—	200,308.30
June .....	(289,157.55)	—	—	—	240,308.30
July .....	(301,124.52)	—	—	—	JE φ *
August .....	(238,479.07)	—	—	—	—
September .....	(217,339.68)	—	—	—	6,000.00
October .....	(310,276.91)	—	—	—	56,000.00
November .....	(321,637.75)	—	—	—	56,000.00
December/63 .....	(416,411.32)	—	—	—	56,000.00
January/64 .....	(451,013.03)	—	—	—	56,000.00
February .....	(540,782.98)	—	—	—	56,000.00
March .....	(476,600.87)	—	—	—	56,000.00
April .....	(418,363.15)	—	—	—	56,000.00
May .....	(363,496.03)	—	—	—	56,000.00
June .....	JE φ *	—	—	(435,000.00)	81,000.00
July .....	—	—	—	(435,000.00)	JE φ *
August .....	—	—	—	(435,000.00)	—
September .....	—	—	—	(435,000.00)	—
October .....	—	—	—	(435,000.00)	—
November .....	—	—	—	(435,000.00)	—
December/64 .....	—	—	—	(435,000.00)	—
January/65 .....	—	—	—	(435,000.00)	—
February .....	—	—	—	(435,000.00)	—
March .....	—	—	—	(435,000.00)	—
April .....	—	—	—	(435,000.00)	—
May .....	—	—	—	(435,000.00)	—
June 17/65 .....	—	—	—	(435,000.00)	—

\* Elimination or consolidation of accounts through a journal entry in the books of account rather than by cash payment.



# ACTORS LIMITED

Machines (Canada) Limited and Associated Companies

(Accrued and Receivable)

June 17, 1965

Jay-Man Distributors Inc.					
A.C.E. Business Machines Inc. 12%	Inventory Loan 15% to 1962 12% Thereafter	Notes Receivable 12%	C.B.M. Inc. Note Rec. re: W/H Rec. 12%	Baronet Associates Inc. 8 1/2%	Total Loans by Commodore Factors
—	—	—	—	—	—
—	—	—	—	—	\$ 588,831.24
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	986,128.52
—	—	—	—	—	—
—	\$ 48,984.32	—	—	—	—
—	48,984.32	—	—	—	—
—	48,984.32	—	—	—	—
—	38,984.32	—	—	—	—
—	128,984.32	—	—	—	1,055,388.70
—	JE ϕ *	\$208,356.48	—	—	—
—	128,984.32	208,356.48	—	—	—
—	128,984.32	208,356.48	—	—	—
—	128,984.32	208,356.48	—	—	—
—	128,984.32	208,356.48	—	—	—
—	128,984.32	208,356.48	\$127,397.50	—	585,580.75
410,000.00	128,984.32	208,356.48	127,397.50	—	—
410,000.00	128,984.32	208,356.48	127,397.50	—	—
410,000.00	128,984.32	208,356.48	127,397.50	—	—
410,000.00	128,984.32	208,356.48	127,397.50	—	—
410,000.00	128,984.32	203,356.48	127,397.50	—	—
410,000.00	128,984.32	203,356.48	127,397.50	—	502,326.98
410,000.00	128,984.32	196,356.48	127,397.50	—	—
410,000.00	128,984.32	196,356.48	127,397.50	—	—
410,000.00	128,984.32	196,356.48	127,397.50	—	—
410,000.00	128,984.32	196,356.48	127,397.50	—	—
414,200.00	128,984.32	206,156.48	127,397.50	—	—
414,200.00	128,984.32	206,156.48	127,397.50	—	1,155,185.03
JE ϕ *	JE ϕ *	JE ϕ *	JE ϕ *	\$1,590,185.03	—
—	—	—	—	1,940,396.25	—
—	—	—	—	1,986,728.01	—
—	—	—	—	2,089,434.34	—
—	—	—	—	2,211,615.11	—
—	—	—	—	2,253,589.71	—
—	—	—	—	1,106,714.70	671,714.70
—	—	—	—	1,010,831.74	—
—	—	—	—	1,008,126.03	—
—	—	—	—	1,070,155.67	—
—	—	—	—	857,892.77	—
—	—	—	—	1,234,002.82	—
—	—	—	—	1,260,802.82	825,802.82

TABLE 40

**BRITISH MORTGAGE & TRUST COMPANY**  
**Loans or Investments Re: the Purchase of Securities of Commodore Business Machines (Canada) Limited**  
**From July 1962 to May 31, 1965**

Investments by British Mortgage			LOANS					Total Loans and Investments Secured by C.B.M. Securities				
Date	Common Shares	Series A Debentures	Messrs. Annett Partners Ltd.		Messrs. Tramiel, Kapp, Morgan, Wagman, Walton		Messrs. Tramiel, Kapp, Morgan, Wagman,	Mr. A. T. Christie	Chisholm & Co.	Associated Canadian Holdings Limited	N.G.K. Investments Ltd.	Trans- Commercial Acceptance Limited
June/62.....	—	—	—	—	—	—	—	—	—	—	—	—
July.....	\$ 25,000	—	—	—	—	—	—	—	—	—	—	\$ 25,000
August.....	39,069	—	—	—	—	—	—	—	—	—	—	39,069
September.....	39,069	—	—	—	—	—	—	—	—	—	—	39,069
October.....	39,069	—	—	—	—	—	—	—	—	—	—	39,069
November.....	39,069	\$ 50,000	—	—	—	—	—	—	—	—	—	89,069
December/62.....	39,069	150,000	—	—	—	—	—	—	—	—	—	189,069
January/63.....	39,069	150,000	—	—	—	—	—	—	—	—	—	189,069
February.....	39,069	150,000	—	—	—	—	—	—	—	—	—	189,069
March.....	39,069	150,000	—	—	—	—	—	—	—	—	—	189,069
April.....	39,069	50,000	\$100,000	—	—	—	—	—	—	—	—	189,069
May.....	39,069	50,000	100,000	\$500,000	—	—	—	—	—	—	—	189,069
June.....	39,069	50,000	100,000	500,000	—	—	—	—	—	—	—	689,069
July.....	39,069	50,000	100,000	500,000	—	—	—	—	—	—	—	689,069
August.....	59,069	50,000	100,000	500,000	—	—	—	—	—	—	—	709,069
September.....	59,069	50,000	100,000	500,000	—	—	—	—	—	—	—	709,069
October.....	59,069	50,000	100,000	500,000	—	—	—	—	—	—	—	709,069
November.....	59,069	50,000	100,000	500,000	—	—	—	—	—	—	—	709,069
December/63.....	59,069	50,000	100,000	500,000	—	—	—	\$55,000	—	—	—	709,069
January/64.....	59,069	50,000	φ	500,000	—	—	—	55,000	—	—	—	764,069
February.....	59,069	50,000	—	500,000	—	—	—	55,000	—	—	—	864,069
March.....	59,069	50,000	—	φ Transferred	\$500,000	—	—	55,000	\$240,000	—	—	864,069
April.....	59,069	50,000	—	—	500,000	—	—	55,000	240,000	\$200,000	\$250,000	904,069
May.....	59,069	50,000	—	—	500,000	—	—	55,000	233,506	200,000	250,000	1,347,575
June.....	59,069	50,000	—	—	500,000	—	—	55,000	190,502	200,000	250,000	1,304,571
July.....	59,069	50,000	—	—	500,000	—	—	55,000	190,502	200,000	250,000	1,304,571
August.....	79,969	50,000	—	—	500,000	—	—	55,000	190,502	200,000	250,000	1,326,471
September.....	79,969	50,000	—	—	500,000	—	—	55,000	190,502	200,000	250,000	1,326,471
October.....	79,969	50,000	—	—	500,000	—	—	37,000	180,573	200,000	250,000	1,297,542
November.....	79,969	50,000	—	—	500,000	—	—	5,000	φ	200,000	250,000	1,084,969
December/64.....	202,469	50,000	—	—	500,000	—	—	5,000	—	200,000	250,000	\$1,500,000
January/65.....	202,469	50,000	—	—	500,000	—	—	φ	—	200,000	250,000	2,707,469
February.....	202,469	50,000	—	—	500,000	—	—	—	—	200,000	250,000	2,652,469
March.....	202,469	50,000	—	—	500,000	—	—	—	—	200,000	250,000	2,652,469
April.....	202,469	50,000	—	—	φ Transferred	\$500,000	—	—	—	200,000	250,000	2,682,469
May.....	202,469	50,000	—	—	—	—	—	—	—	200,000	250,000	2,682,469

COMMODORE BUSINESS MACHINES (CANADA) LIMITED

History of Common Stock Prices and Book Values

	January 31, 1961	June 30, 1961	December 31, 1961	June 30, 1962	June 30, 1963	June 30, 1964	June 30, 1965
Shareholders' Equity							
Capital stock—preferred	—	\$ 25,000	—	—	—	—	\$1,000,000
Capital stock—common	\$ 200	400	\$ 1,032	\$ 751,032	\$ 751,032	\$ 829,382	1,263,892
Contributed surplus			235,168	235,168	245,168	245,168	245,168
Capital surplus	151,027	148,594	148,594	33,144	33,144	33,144	96,305
Retained earnings	(6,860)	(32,848)	(3,642)	119,650	257,573	437,650	(442,993)
Total Shareholders' Equity	\$144,367	\$141,146	\$381,152	\$1,138,994	\$1,286,917	\$1,545,344	\$2,162,372
Total shares outstanding (New)	100,000*	200,000	516,000	816,000†	816,000†	835,550†	981,181 5/20
Net Book Value per common stock	\$1.44	\$0.58	\$0.74	\$1.40	\$1.58	\$1.85	\$1.18
Average price per share issued during period	\$0.002*	\$0.002	\$0.75	\$2.32	No Issue	\$4.00	\$3.99
Profit or (loss) for the fiscal period		(\$ 25,988)		\$ 150,938	\$ 143,034	\$ 190,425	(\$1,051,714)
Earnings per common share		(13.0¢)		18.5¢	17.5	22.8¢	(106.3¢)
Issue price—number of times earnings		—		12.5	—	17.5	Loss
Market price range during the fiscal year				—	\$ 2.70-4.75	\$3.70-5.00	\$4.10-10.50‡
Market price—number of times earnings—Low				—	15.4	16.2	Loss
—High				—	27.1	21.9	Loss

\*All per share calculations are based on the number of "new" shares resulting from a 500: 1 stock split which occurred in 1962.

†The increase in shares outstanding during 1964 and 1965 was due to exercising of warrants debenture conversions to common stock and the issuance of a stock dividend of 1 share for every 20 shares owned.

‡After June 15, 1965 the price dropped—hitting a low of \$1.10 on July 14, 1965 and thereafter stabilizing in the \$1.50 range.

TABLE 42

COMMODORE BUSINESS  
History of Comm  
From Incorporation to the Date

Shareholders	Issued Nov. 5/58	Transf'd Oct. 3/60	Issued Apr. 18/61	Transf'd Apr. 25/61	Issued Dec. 15/61
Benjamin H. Oremland In Trust.....					
Helen Tramiel.....	99 \$ 99	(99)			
Estelle Kapp.....	99 99	(99)			
Jack Tramiel.....	1 1				
Manfred Kapp.....	1 1				
Mildred Morgan.....					
C. P. Morgan—In Trust for					
J. Tramiel.....		36			
M. Kapp.....		36			
R. Silberman.....		37			
G. Purvin.....			200 \$200	(100) \$100	
C. P. Morgan.....				100 \$100	
Carman G. King.....		8			62 \$22,7
D. M. Samuel.....		3			
C. M. Solomon.....		23			
Harry Wagman.....		20			
J. A. Medland.....		20			125 \$44,
W. C. Streit.....		15			125 \$44,
Don Mills held for					
M. Kapp.....					83 1/8 }
J. Tramiel.....					83 1/8 } \$100,0
C. P. Morgan.....					83 1/8 }
Benjamin Silberman.....					
Regina Silberman.....					
Mrs. Ann P. Gregory.....					
W. P. Gregory.....					
British Mortgage & Trust.....					
Others (under 1,000 share lots).....					
Barret, Goodfellow & Co.....					
for Dallas Holdings.....					
for other accounts.....					
Total number of Shares issued.....	200		200	562	
Total amount paid for Shares.....	\$200		Shares in (2) U.S. Subsidiaries		\$212,5
Total amount or value received by CBM....	\$200		\$200		\$212,5
Average net price per Share.....	\$.02		\$.02		75.64

\*These shares were purchased by "Don Mills" on June 20, 1962 from Valley Farms who, in turn, purchased them from W. C. Streit for \$1 each pursuant to an agreement with C. P. Morgan.

# MACHINES (CANADA) LIMITED

## are Transactions

## e First Common Share Underwriting

Issued Dec. 15/81	500:1 Share Split Dec. 15/81 New Share- holdings	Transfers May 31/82	Transf'd June 8/82	Underwritten Issue June 29/82	Shareholdings at June 30/82		
					Number of Shares	Cost to Shareholders	
						Total	Per Share
		1			1	—	\$0.002
\$8,635	13,000				13,000	\$ 8,635	0.664
8,635	13,000				13,000	8,635	0.664
	500	33,333	18,000		51,833	104	0.002
	500	33,333	18,000		51,833	104	0.002
		16,667		100 \$ 250	16,767	283	0.017
	18,000		(18,000)				
	18,000		(18,000)				
	18,500		(18,500)				
	50,000	(50,000)					
	50,000	50,000			16,666	33	0.002
		(83,334)			35,000	22,758	0.650
	35,000				1,500	3	0.002
	1,500				11,500	23	0.002
	11,500				10,100	270	0.027
	10,000			100 250	72,500	44,920	0.620
	72,500				70,000*	44,915	0.642
	70,000						
	41,666				41,666	33,333	0.756
	41,667				41,667	33,333	0.756
	41,667				41,667	33,334	0.756
	41,667				9,000	5,980	0.664
\$5,980	9,000				18,500	37	0.002
			18,500		1,000	2,500	2.500
				1,000	1,000	2,500	2.500
				10,000	10,000	25,000	2.500
				10,313	10,313	25,491	2.470
				261,382	601,179	261,382	601,179
				16,105	39,012	16,105	39,012
				300,000		816,000	
	516,000						
\$23,250				\$696,182		\$932,382	\$1.14
\$23,250	\$236,200			\$675,000			
66.43¢	46.47¢			\$2.25			



**Issue and Transfer of Common Shares  
From “Public” Issue Date to Date of Listing Statement**

[illegible]

ANALOGUE CONTROLS INC.

Schedule of Condensed Comparative  
Balance Sheets

	1962	1963	1964
Current Assets.....	\$ 660,468.75	\$1,173,599.07	\$ 958,415.51
Fixed Assets.....	253,061.13	212,612.65	164,296.31
Other Assets.....	40,124.60	181,012.11	162,055.45
	<u>\$ 953,654.48</u>	<u>\$1,567,223.83</u>	<u>\$ 1,284,767.27</u>
Current Liabilities.....	\$ 398,765.23	\$ 940,082.55	\$ 558,598.00
Other Liabilities.....	166,539.48	166,000.00	166,000.00
Capital			
Preferred.....	713 Shares 71,300.00		
Common.....	413,280 Shares 4,132.80	441,800 Shares 4,418.00	571,800 Shares 5,718.00
Paid in Surplus.....	783,689.04	854,703.84	949,083.84
Retained Earnings.....	470,772.07	397,980.56	394,632.57
	<u>\$ 953,654.48</u>	<u>\$1,567,223.83</u>	<u>\$1,284,767.27</u>
Sales.....	\$1,278,297.01	\$1,561,543.97	\$1,896,937.88
Profit or (Loss).....	\$ 4,976.47	\$ 72,791.51	\$ 3,347.99



TABLE 45

# THE ATLANTIC GROUP AND ITS DEBTORS

## Loans and Investment Involvement in the Lucayan Venture (Not Including Interest Accruals on Loans) From June 30, 1963 to June 17, 1965

	Associated Canadian Holdings Limited*	Masco Construction Limited†	Messrs. Walton & Wagnam†	Dallas Holdings Limited	Trans-Commercial Acceptance re L. B. H. Management Ltd.	Re L. B. H. Management Ltd.	Re Hugo Oppenheim und Sohn	Commodore Sales Acceptance			Aurora Leasing			Total
								Re Dalite Corp. (Canada)\$	Re Masco Construction Co.	Re Daylite of Grand Bahamas	Re Five Wheels Limited	Re Preport International	Atlantic Group Investment	
June, 1963.....								\$ 203,258.91						\$ 203,259
July.....	\$ 250,000		\$ 45,000					212,902.45						507,902
August.....	250,000		45,000					221,970.41						516,970
September.....	250,000		122,000					202,913.59						574,914
October.....	250,000	\$ 35,460	122,000	{ (\$55,833)				382,651.29						891,778
November.....	250,000	134,460	122,000	157,500				441,940.00						1,070,067
December, 1963.....	250,000	144,460	122,000	121,667				816,171.74						1,454,299
January, 1964.....	1,450,000	108,960	122,000	121,667				849,278.97	\$448,200.00					4,640,106
February.....	1,450,000	217,710	60,000	121,667				1,278,335.35	793,084.79				\$1,540,000	5,460,797
March.....	1,450,000	208,750		121,667				1,662,735.28	788,866.83				1,540,000	5,772,019
April.....	1,450,000	208,750		121,667				2,020,468.94	784,515.82				1,540,000	6,125,402
May.....	1,450,000	208,750		121,667				2,645,705.84	404,135.85				1,540,000	6,370,259
June, 1964.....	1,450,000	208,750		121,667				3,287,624.11	809,325.08				1,540,000	7,417,366
July.....	250,000	208,750		166,667				3,616,577.28	786,306.50			\$191,855	1,540,000	6,760,156
August.....	290,000	208,750		166,667				3,983,173.51	791,309.48			\$ 25,000	1,540,000	7,256,760
September.....	290,000	208,750		166,667				4,620,764.54	786,228.43			25,000	1,540,000	7,889,265
October.....	290,000	208,750		166,667				5,184,161.17	801,008.15			25,000	1,540,000	8,467,441
November.....	290,000	208,750		154,667				5,619,221.36	805,703.72			25,000	1,540,000	8,895,197
December, 1964.....	290,000	208,750		154,667				6,229,048.86	810,598.31			251,855	1,540,000	9,484,919
January, 1965.....	290,000	208,750		129,987				7,053,829.92	798,308.75			—	1,540,000	10,272,731
February.....	290,000	208,750		129,987				7,114,686.86	802,718.21			251,855	1,540,000	10,362,997
March.....	390,000	208,750		129,987				7,349,548.88	807,043.52			251,855	1,540,000	10,722,181
April.....	390,000	208,750		124,603		\$540,000	\$3,780,000	3,568,073.69	811,267.85			100,000	1,540,000	11,284,550
May.....	390,000	208,750		124,603		540,000	3,780,000	3,390,711.86	815,408.03			221,855	1,540,000	11,299,861
June 17, 1965.....	390,000	208,750		124,603	\$188,533	540,000	3,780,000	3,413,141.05	817,427.63			221,855	1,540,000	11,325,149
June 17, 1965.....	390,000	208,750		124,603	189,372									11,325,149
Since this was offset by a deposit receipt from the Lucayan Beach														

\* (a) A loan of \$1.2 million by British Mortgage is included in the funds invested by Associated Canadian Holdings Limited, from January to June, 1964. Since this was offset by a deposit receipt from the Lucayan Beach Hotel no real cash investment was involved.

(b) An additional \$500,000 was invested by Associated Canadian Holdings Limited in Five Wheels Limited but this was used for the purchase of Commodore Business Machines shares.

† Investments by Masco were made with funds apparently provided by Morgan and Manus. The extent to which these funds may have been provided by the Atlantic Group is not known.

‡ Investments by Walton and Wagnam were financed entirely by bank loans but they are shown in this schedule as additional information.

§ The total involvement of Dalite shown in this schedule excludes all specific loans for domestic construction and \$631,000 of floating charge debentures outstanding since March 1, 1962. All inventory and operating loans are included since most of the total is connected with the Lucayan venture. The total of loans plus interest to Dalite Corporation (Canada) at June 17, 1965 was \$4,825,976. \$3,092,817 is shown in this schedule as applicable to the Lucayan venture (this excludes accrued interest).





# **Long Term Debt—Original Amounts**

	Amount Credited (U.S. \$)	Atlantic Group (Can. \$)	Other and Unknown (U.S. \$)	Particulars
January 18/64				
Mortgage on hotel — Grand Bahama Development Co. Ltd.....	\$ 5,000,000		\$5,000,000	L. Chesler and associated companies
January 22/64				
Debentures payable — Freeport International .....	1,200,000	\$1,290,000		Aurora Leasing Corporation loan
May 6/65				
Mortgage on Lucayan Apartments—Bahamas Savings & Loan Co...	294,000		294,000	Bahamas Savings and Loan Co.
Total Long Term Debt Raised.....	\$ 6,494,000	\$1,290,000 (\$1,200,000 U.S.)	\$5,294,000	
Total Long Term Capitalization—U.S. \$ (2) (3).....	\$13,161,031	\$6,520,000	\$6,664,969	

(1) On July 22, 1965 the company issued debentures in the amount of \$1.2 million to Montreal Trust in settlement of claims of other bankrupt estates against the assets of the company.

(2) Total amount credited does not agree with total sources of funds because of the application of a portion of the funds to miscellaneous expenditures, i.e. to short term requirements rather than long term requirements.

(3) Additional funds were supplied by the Atlantic group through short term loans and rent prepayments in order to cover Lucayan debt repayment, losses and working capital requirements.

(4) Shares of £ par value.

(5) Shares of 5 shillings par value.

(6) Shares of 2/6 par value.

(7) Shares of 5 shillings par value.

(8) Summary of changes in character of authorized capital stock:

Inception July 29/63	£ Shares
Sept. 29/63	Conversion to 5 shilling shares
April 2/64	Split 2 for 1, i.e. to 2/6 shares
January 1965	Re-organization— $2\frac{1}{2}$ 5 shilling shares for each 2/6 share

(9) Apparently in excess of \$666,000 was obtained up to January 31, 1964 by Adobe International from the exercise of rights to Lucayan shares by Molly shareholders. This amount includes a direct payment to Adobe of \$125,000 by Cecil and Allen Manus in respect of 125,000 shares and an amount of \$335,000 provided by Freeport International which amount was borrowed from Barclay's Bank. The proceeds in excess of the amount of \$300,000 required with respect to Adobe's Lucayan share subscriptions were applied mainly to pay off the existing Berks County Trust loan or were left on deposit with Sassoon Bank.

TABLE 47

**DALITE CORPORATION (CANADA) LIMITED**  
**Condensed Balance Sheets and Income Statements**  
**July 31, 1960 to August 31, 1965**

	BALANCE SHEET					Income Statement		
	Year Ended July 31, 1960	Year Ended July 31, 1961	Year Ended July 31, 1962	Five months ended December 31, 1963	Year Ended December 31, 1963	Year Ended December 31, 1964	Year Ended December 31, 1965	Eight months ended August 31, 1965 (adjusted for disputed billings)
<b>Assets</b>								
Cash and deposits.....	\$ 125	\$ 42,269	\$ 26,997	\$ 574	\$ —	\$ 8,568	\$ 5,070	
Accounts receivable—net.....	199,783	339,704	165,779	338,231	323,237	7,003,043	3,416,660	
Receivables from subsidiary or associated companies.....	352	352	16,146	596,014	87,842	519,935	—	
Advances to directors and employees.....	12,425	4,515	15,057	15,000	—	—	—	
Inventory.....	320,221	587,858	283,657	191,884	1,218,404	186,580	200,000	
Machinery and equipment.....	43,758	43,488	68,711	73,821	82,625	66,343	66,343	
Sundry assets.....	17,167	20,614	16,353	11,857	9,284	21,618	23,517	
Prepaid sales promotion and patents.....	—	52,000	109,226	510,840	710,840	—	—	
Investment in P.H.I. Limited.....	—	—	—	—	566,000	—	566,000	
Total Assets.....	\$593,831	\$1,090,800	\$ 707,009	\$1,738,221	\$2,998,232	\$8,372,087	\$4,277,590	
<b>Liabilities and Equity</b>								
Bank loan or overdraft.....	\$213,104	\$ 182,877	\$ 55,734	\$ 88,200	\$ 67,036	\$ 85,651	\$ 6,693	
Outstanding cheques.....	52,141	50,042	55,426	265,682	458,551	505,865	691,206	
Accounts payable and accruals.....	138,108	337,328	13,942	27,008	—	2,366	—	
Other liabilities.....	2,828	10,924	84,500	32,008	—	—	—	
Loans payable—Rosen & Pollock.....	—	84,500	44,500	—	—	—	—	
Commodity Sales Acceptance.....	—	256,025	434,341	1,298,678	1,985,619	7,335,828	4,532,352	
Advances from directors and shareholders.....	—	—	352,502	332,760	251,762	170,000	—	
Equity—Share capital.....	67,003	47,003	103,653	137,333	122,343	122,343	122,343	
—Earned surplus.....	115,936	117,390	47,003	47,003	47,003	47,003	47,003	
—Capital surplus.....	4,711	4,711	(604,803)	(465,584)	(462,680)	(462,680)	(1,687,718)	
Total Liabilities and Equity.....	\$593,831	\$1,090,800	\$ 707,009	\$1,738,221	\$2,998,232	\$8,372,087	\$4,277,590	
<b>INCOME STATEMENT</b>								
Sales.....	\$886,701	\$1,068,678	\$1,239,287	\$1,177,400	\$1,709,217	\$8,678,989	\$1,065,010	
Cost of sales.....	785,226	823,401	1,060,327	870,626	1,176,972	7,323,092	1,894,443	
Gross Profit.....	\$101,475	\$ 245,277	(\$ 421,040)	\$ 306,874	\$ 532,245	\$1,355,897	(\$ 769,433)	
Less:								
Selling and administrative expense.....	\$ 88,135	\$ 202,123	\$ 219,018	\$ 120,014	\$ 326,367	\$ 135,535	\$ 55,215	
Interest expense.....	12,262	28,637	95,260	66,825	219,966	467,300	403,381	
Miscellaneous (income) or expense.....	6,125	11,156	(5,134)	(269)	—	4,807	(2,991)	
Development expense.....	—	—	—	—	—	710,840	—	
Net Profit or (Loss).....	\$106,522	\$ 241,916	\$ 309,144	\$ 186,570	\$ 546,333	\$1,318,782	\$ 455,605	
	(\$ 5,047)	\$ 3,361	(\$ 730,184)	\$ 120,304	(\$ 14,088)	\$ 37,115	(\$1,225,038)	

DALITE CORPORATION (CANADA) LIMITED  
Comparative Adjusted Earnings Statement  
1960 to 1965

	July 31, 1960	July 31, 1961	July 31, 1962	December 31, 1962	December 31, 1963	December 31, 1964	August 31, 1965
Reported profit before interest expense.....	\$ 7,215	\$ 31,998	(\$34,924)	\$ 187,129	\$ 205,878	\$ 504,415	\$2,983,233
Deduct interest expense.....	12,262	28,637	95,260	66,825	219,966	467,300	403,381
Net profit—per the financial statements.....	(\$ 5,047)	\$ 3,361	(\$730,184)	\$ 120,304	(\$ 14,088)	\$ 37,115	\$2,589,852\$
Subsequent adjustments required							
Miscellaneous surplus adjustments.....	452	(1,907)	(6,911)	(1,085)	(121)		
Expenses deferred.....		(52,000)	(57,226)	(401,614)	(200,000)	710,840	(3,814,890)
Daylite of Grand Bahamas—disputed and excessive billings.....							
Dalite (Manitoba) Limited—unpaid billings.....				(141,500)*			
Net adjusted earnings—after interest expense.....	(\$ 4,595)	(\$ 50,546)	(\$794,321)	(\$ 423,895)	(\$ 214,209)	\$ 747,955†	(\$1,225,038)
—before interest expense.....	\$ 7,500	(\$ 22,000)	(\$700,000)	(\$ 360,000)	\$ 5,750	\$1,215,250	(\$ 821,650)
Net equity position							
Per the financial statements.....	\$187,650	\$169,104	(\$553,189)	(\$ 433,870)	\$ 112,921†	\$ 47,003	\$2,739,886
Adjusted—excluding earnings adjustments above and the gain on sale of assets to D. H. I. Limited.....	187,650	117,104	(662,415)	(1,086,210)	(1,300,419)	(655,497)	(2,390,218)

\*In 1962 the Manitoba project was set up at a sale price of close to \$600,000. In 1963 the unpaid balance of \$215,000 was transferred to the inventory account from accounts receivable. In 1964 the balance unpaid of \$141,500 was credited to cost of sales and again set up as an account receivable. This amount was never paid and appears to represent an initial overstatement of profits in the original billing.

†In 1963 the assets of Cerameials, in bankruptcy, were purchased by Dalite Corporation and resold to D. H. I. Limited (another debtor to the Atlantic Group) at an increased price of \$561,000. This increase amounted to over a 100% gain and was received back in the form of securities in D.H.I. Dalite reflected the "gain" as a Capital Surplus.

‡Profits for 1964 were completely dependant on collectability of the \$8,305,000 in charges to Daylite of Grand Bahama Limited and the Lucayan Beach Hotel Co. Ltd. for construction costs and advances to December 31, 1964.

§Stated profits to August 31, 1965 include additional billings to the Lucayan Complex of \$3,814,890 most of which are overstated and uncollectible.

TABLE 49

# **DALITE CORPORATION (CANADA) LIMITED** **Analysis of the Lucayan Project — Billings and Costs**

Job No.	Description of Project	Original Construction Budget or Estimate \$ U.S.	Dalite of Canada Billings \$ Can.	Additional Liabilities incurred by Daylite of Grand Bahama \$ Can.	Total Value Asserted by the "Dalite Group" \$ Can.	Consulting Engineers' Completion Certificate	Sales Price Accepted by Lucayan Hotel \$ U.S.	Proceeds from other Sales or Claims Outstanding \$ U.S.	Apparent Excess Billings by Dalite Corp. \$ Can.
203	60 Efficiency units for employees	\$ 270,096				\$1,512,000			
204	50 Efficiency units for employee housing	225,080	\$ 1,589,760			755,000			
205	40 Apartment units—1 and 2 Bedrooms with Swimming Pool	No Budget	810,000						
201	120 Slip Marina, stores and boat repair yard	1,091,037		\$ 648,000	\$ 5,463,760	2,189,000	\$ 600,000		
202	150 Room Motel, Public Space, Service Buildings and Swimming Pool	842,000	3,348,000	425,000		4,456,000	3,880,000		\$ 260,000
205A	Laundromat		216,000		3,348,000	3,225,000	400,000		1,998,000
211	Sewage Treatment Plant	No budgets, estimates, or contracts available	43,250		216,000	175,000	1,350,000	\$ 40,000	176,000
213	Electric Sub-Station		200,000		43,250	26,000	30,000		10,850
213	Tennis Court		118,135		200,000	190,000	160,000		27,200
214	Model House		25,166		118,135	Not Available	15,000		101,935
			43,200		25,166	Not Available	17,350		6,426
					43,200	44,000		30,000	10,800
	Total of Projects Constructed		\$ 8,384,511	\$1,073,000	\$ 9,457,511	\$8,116,000	\$6,452,350	\$ 70,000	\$2,591,211
<i>Other Projects</i>									
221	International Aviation Club—Land								
	—Promotion		569,873		569,873			428,560	108,000
	—10% on cost		77,022		77,022			—	77,022
			39,734		39,734			—	39,734
	Building Lots		212,355		212,355			170,000	28,755
	Deposits on Track N and Lot 7		11,935		11,935			5,000	6,535
	Service Station Land—99 Year Lease		27,125		27,125			—	27,125
	Lucayan Beach Hotel—Advances		2,083,463						
	—Rent of Efficiency Units		157,325		2,240,788		\$ 682,000	450,000	1,018,300
	—Interest		502,393						
	—Miscellaneous Expense		53,719		556,112		—		556,112
	Total of Lucayan Projects		\$12,119,455	\$1,073,000	\$13,192,455		\$7,134,350	\$1,123,560	\$4,452,794

Note: U.S. dollars are converted at \$1.08 Canadian.



TABLE 50

**HUGO OPPENHEIM UND SOHN NACHF.  
BERLINER PRIVATBANK A.G.**

**Balance Sheet  
December 31, 1963, 1964 and 1965**

	ASSETS		
	1965	1964	1963
	<u>D.M.</u>	<u>D.M.</u>	<u>D.M.</u>
Day to day loans receivable (largely from German loan institutions) . .	88,100	1,109,100	621,600
Securities: Atlantic Acceptance . . . . .		5,438,100	
Commodore Business Machines . . . . .		370,200	
Other . . . . .	206,400	17,000	51,500
Receivables: Trans Commercial Acceptance . . . . .		2,413,700	
Other . . . . .	1,748,700	1,999,200	1,406,900
Investment in subsidiaries:			
Hugo Oppenheimbank (Canada) Limited . . . . .		926,300	
Auto-Kredit-Gesellschaft m.b.H. . . . .	650,000		
Other small items in total . . . . .	1,668,600	1,112,000	1,582,300
Total assets . . . . .	<u>4,397,800</u>	<u>13,385,600</u>	<u>3,662,300</u>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

	1965	1964	1963
	<u>D.M.</u>	<u>D.M.</u>	<u>D.M.</u>
Sight deposits (largely from other than loan institutions) . . . . .	2,802,600	2,270,300	2,152,100
Loans payable: Trans Commercial Acceptance . . . . .		741,400	
O'Brien & Williams . . . . .		409,400	
Other . . . . .	346,600	88,100	523,000
Other small items in total . . . . .	372,100	205,000	170,100
Total liabilities . . . . .	<u>3,521,300</u>	<u>3,714,200</u>	<u>2,845,200</u>
Shareholders' Equity:			
Capital . . . . .	1,500,000	10,000,000	1,500,000
Less deficit . . . . .	(623,500)	(328,600)	(682,900)
Total shareholders' equity . . . . .	876,500	9,671,400	817,100
Total liabilities and shareholders' equity . . . . .	<u>4,397,800</u>	<u>13,385,600</u>	<u>3,662,300</u>



**Statement of Profit and Loss**  
**Year Ended December 31, 1964**  
(Thousands of Deutsche Marks)

	1964	1963	Increase (Decrease)
	D.M.	D.M.	D.M.
<b>Revenues</b>			
a) Loan business (net).....	200.5	161.1	39.4
b) Business in securities			
Yield of transactions in bank owned securities.....	839.7	1.6	838.1
Interest and dividends.....	89.9	2.2	87.7
Commissions.....	38.7	6.1	32.6
	968.3	9.9	958.4
c) Other banking business.....	50.3	88.7	(38.4)
Total revenues.....	1,219.1	259.7	959.4
Overhead expense of administration.....	565.6	450.3	115.3
Operating profit (loss).....	653.5	(190.6)	844.1
Extra-ordinary and non-periodic items:			
Receivables written off.....	237.9	154.8	83.1
Other items (net).....	61.3	.4	60.9
	299.2	155.2	144.0
Net Profit (Loss) for year.....	354.3	(345.8)	700.1

## Schedule 2

**Analysis of Securities Trading Profits**  
**Year Ended December 31, 1964**

	Cdn. \$	D.M.
100,000 Commodore Business Machines—common shares		
Sold on Dec. 29/64 to T.C.A. at \$6.50 Cdn.....	650,000	
Bought on Dec. 7/64 from Five Wheels at \$5.00 Cdn.....	500,000	
Profit.....	150,000	554,392
100,000 Commodore Business Machines 6% preferred shares		
Sold on Dec. 19/64 to T.C.A. at 10.00 Cdn.....	1,000,000	
Bought on Dec. 1/64 from C.B.M. at \$9.75 Cdn.....	975,000	
Profit.....	25,000	92,470
\$1,000,000 Commodore Business Machines 6½ debentures		
Sold on Dec. 29/64 to T.C.A. at par.....	1,000,000	
Bought on Dec. 1/64 from C.B.M. at 95.....	950,000	
Profit.....	50,000	184,940
38,500 Atlantic Acceptance common shares		
Sold on Nov. 24/64 to Cimcony at 18.10.....	696,850	
Bought on Nov. 24/64 from Atlantic at 18.00.....	693,000	
Profit.....	3,850	13,064
Profit re Atlantic group trading.....		844,876
Small losses (net) relating to other transactions and rounding adjustment.....		(5,176)
Yield of transactions in bank owned securities.....		839,700

### Analysis of Commissions Earned Year Ended December 31, 1964

	D.M.
Commission earned under agreement with Cimcony Ltd. relating to 81,500 shares of Atlantic Acceptance (\$9,219.69 Cdn. per month) .....	34,097
Other Commissions and rounding adjustment .....	<u>4,603</u>
Total commissions per profit and loss statement .....	<u><u>38,700</u></u>

## Schedule 4

### Statement of Profit and Loss Year Ended December 31, 1965

(Thousands of Deutsche Marks)

	1965	1964	(Decrease) Increase
	D.M.	D.M.	D.M.
Revenues			
a) Loan Business (net) .....	189.3	200.5	(112)
b) Business in securities			
Yield of transactions in bank owned securities .....	112.0	839.7	(727.7)
Interest and dividends .....	100.0	89.9	10.1
Commissions etc. ....	208.8	38.7	170.1
	<u>420.8</u>	<u>968.3</u>	<u>(547.5)</u>
c) Other banking business etc. ....	75.9	50.3	25.6
Total revenues .....	686.0	1219.1	(533.1)
Overhead expense of administration .....	521.2	565.6	(44.4)
Operating profit (loss) .....	164.8	653.5	(488.7)
Extra-ordinary and non-periodic items			
Receivables written off .....	631.6	237.9	393.7
Other items (net) .....	(171.9)*	61.3	(233.2)
	<u>459.7</u>	<u>299.2</u>	<u>160.5</u>
Net Profit (loss) for year .....	<u>(294.0)</u>	<u>354.3</u>	<u>(649.2)</u>

\*This figure consists largely of profits related to the bank's new stamp operations in 1965. Of stamp profits which total D.M. 169,700 an amount of D.M. 122,500 relates to 1966 operations and, in Arthur Andersen's opinion, should not be included in this statement. Had Arthur Andersen's presentation been followed, the loss would have been D.M. 417,400 for the year ended December 31, 1965.

(Continued)

**Continuity of Share Capital**  
**December 31, 1963 to December 31, 1965**

		<i>D.M.</i>
Balance of share capital December 31, 1963.....		1,500,000
Shareholders: Baron von Rheden.....	1,000,000	
Albert Neumann.....	500,000	
	<u>1,500,000</u>	
Increase of capital—Sept. 30, 1964.....		500,000
Sept. 30, 1964.....		5,000,000
Oct. 29, 1964.....		3,000,000
Balance of share capital December 31, 1964.....		10,000,000
Shareholders: Jack Tramiel.....	8,127,500	
Baron von Rheden.....	1,000,000	
Albert Neumann.....	850,000	
Hans Seligmann.....	22,500	
	<u>10,000,000</u>	
Decrease of capital—July 16, 1965		
—Shares of J. Tramiel returned for cancellation.....		(8,127,500)
—General reduction of remaining capital in ratio of 10:6 to cover losses.....		(749,000)
Increase of capital—July 16, 1965		
—New cash introduced by Albert Neumann (Neumann also buys von Rheden's shares).....		376,500
Balance of share capital December 31, 1964.....		1,500,000
Shareholders: Albert Neumann.....	1,486,500	
Hans Seligmann.....	13,500	
	<u>1,500,000</u>	

## Schedule 6

**December 31, 1963**

*Shareholders*

	<i>D.M.</i>
Baron von Rheden-Rheden.....	1,000,000
Albert Neumann.....	500,000
	<u>1,500,000</u>

The above table has been deduced from information contained in the Arthur Andersen 1964 report. The report does not, however, give this exact information.

*Board of Directors*

Chairman:	Dr. G. R. Treviranus
Deputy Chairman:	Baron von Rheden-Rheden
Shareholder's Representative:	Dr. Hans-Adolf Bartram
Shareholder's Representative:	Ludwig Ahrens
Employee's Representative:	Hildegard Mertens

*Manager*

Bank Manager:	David Farkas
---------------	--------------

December 31, 1964

Shareholders		D.M.
Jack Tramiel, Baldwin, Long Island, N. Y.....		8,127,500
Baron Seband v. Rheden, Manorial Estate, Rheden.....		1,100,000
Albert Neumann, Berlin.....		850,000
Hanns Seligmann, Basel.....		22,500
		<u>10,000,000</u>

Board of Directors

Chairman:	Jack Tramiel
Deputy Chairman:	Baron Seband von Rheden-Rheden
Shareholder's Representative:	Edgar Hochgraeber, solicitor

Managers

Bank Manager:	Wolfgang Wirth
Bank Manager:	Werner Lange

Schedule 8

December 31, 1965

Shareholders		D.M.
Albert Neumann.....		1,488,500
Hans Seligmann.....		13,500
		<u>1,500,000</u>

Board of Directors

Chairman:	Dr. W. Mertens
Deputy Chairman:	Albert Neumann
Employee's Representative:	Hildegard Mertens
Employee's Representative:	Liselotte Lennier
Trustee (Representative Tramiel)	Edgar Hochgraeber
	Heinz J. Dirlick

Note: Manfred Kapp was Deputy Chairman for the period June 9 to July 8, 1965.

Managers

Chief Bank Manager:	Wolfgang Wirth
Bank Manager:	Werner Lange*

\*Resigned as of January 1, 1966.

TABLE 51

# NEVIL GROUP Combined Financial Statements 1961 to 1965

## Balance Sheet

<b>Assets</b>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>
Cash and banks.....	\$ 26	\$ 298	\$ 278	\$ 247	—
Accounts receivable.....	45,268	90,100	184,279	72,213	\$ 20,404
Inventories.....	179,979	198,317	186,959	301,000	106,106
Prepaid expenses.....	4,527	5,755	5,755	3,888	3,389
Due from N. Levinson.....	137,864	197,016	209,946	209,946	221,281
Fixed assets—net of inter-company profit.....	119,313	120,273	160,666	99,742	31,276
Land options.....	60,000	—	—	—	—
Inter-company accounts—net.....	2,688	(71,717)	185,284	196,412	31,996
Patents.....	\$558,663	\$ 539,537	\$ 933,167	\$ 883,448	\$ 424,452
	—	1,000,000	1,000,000	1,000,000	1,000,000
	\$558,663	\$1,539,537	\$1,933,167	\$1,883,448	\$1,424,452

## Liabilities, Capital and Deficit

Bank overdraft.....	\$ 25,125	—	\$ 45,524	\$ 14,821	\$ 11,766
Accounts payable.....	95,106	\$ 65,323	129,594	105,756	137,315
Mortgages payable.....	55,000	—	—	—	—
Due Atlantic Acceptance group.....	538,632	806,995	1,302,493	1,743,320	2,030,923
Share capital.....	\$713,863	872,318	1,477,611	1,863,897	2,180,004
Deficit.....	33	1,000,033	1,000,033	1,000,033	1,001,033
	(155,233)	(332,814)	(544,477)	(980,482)	(1,756,585)
	\$558,663	\$1,539,537	\$1,933,167	\$1,883,448	\$1,424,452

## Profit and Loss Statement

Sales or revenues.....	\$327,694	\$ 155,363	\$ 277,804	\$ 248,006	\$ 291,781
Cost of sales.....	130,699	105,747	260,969	155,151	463,150
Gross profit (loss).....	\$196,995	\$ 49,616	\$ 16,835	\$ 92,945	(\$ 171,378)
Salaries—N. Levinson.....	\$ 30,000	\$ 11,666	\$ 20,000	\$ 20,000	\$ 20,000
—P. Drew.....	34,000	22,200	31,200	31,200	31,400
Interest expense.....	67,091	64,199	60,244	209,609	334,727
Travel—principally N. Levinson.....	23,006	12,658	34,183	36,460	20,074
Bad debts expense.....	—	32,053	3,066	42,474	12,833
Other expenses.....	116,323	69,421	79,805	189,207	185,691
Write-off of land options (less mortgages).....	—	14,000	—	—	—
Net loss.....	\$270,420	\$ 226,197	\$ 228,498	\$ 528,950	\$ 604,725
Opening deficit.....	\$ 73,485	\$ 177,581	\$ 211,663	\$ 436,005	\$ 776,103
	81,748	155,233	332,814	544,477	980,482
Closing deficit.....	\$155,233	\$ 332,814	\$ 544,477	\$ 980,482	\$1,756,585

<i>Dates of Financial Statements Combined</i>	<i>Company</i>	<i>Date</i>
February 28, 1962	Nevil Plastics Limited	February 28, 1962
December 31, 1961	Nevil Plastics Inc.	December 31, 1961
August 1, 1962	Nevil Enterprises Inc.	August 1, 1962
December 31, 1962	Nevil Plastics Inc.	December 31, 1962
February 28, 1963	Nevil Plastics Limited	February 28, 1963
July 31, 1963	Nevil Enterprises Inc.	July 31, 1963
December 31, 1963	Nevil Plastics Inc.	December 31, 1963
February 28, 1964	Nevil Plastics Limited	February 28, 1964
July 31, 1964	Nevil Enterprises Inc.	July 31, 1964
December 31, 1964	Nevil Plastics Inc.	December 31, 1964
February 28, 1965	Nevil Plastics Limited	February 28, 1965
April 30, 1964	Tools and Molds Inc.	April 30, 1964
July 31, 1965	Nevil Enterprises Inc.	July 31, 1965
July 31, 1965	Nevil Plastics Inc.	July 31, 1965
July 31, 1965	Nevil Plastics Limited	July 31, 1965
July 31, 1965	Tools and Molds Inc.	July 31, 1965



TABLE 52

NEVIL GROUP

Summary of Loans Outstanding  
at July 31, 1959 to 1965

	July 31					
	1959	1960	1961	1962	1963	1965
<b>By Borrowing Company</b>						
Nevil Plastics Inc.....	\$30,778.86	\$194,060.63	\$343,202.60	\$524,063.10	\$ 142,595.00	\$ 103,887.00
Nevil Enterprises Limited.....		2,432.65	1,977.68	305,724.89	193,673.21	392,650.45
Nevil Enterprises Inc.....				3,557.49	459,255.56	783,515.36
Tools and Molds Inc.....					429,928.00	411,280.00
Canadian Nevil Enterprises Limited.....						5,039.65
	<u>\$30,778.86</u>	<u>\$196,493.58</u>	<u>\$345,180.28</u>	<u>\$833,345.48</u>	<u>\$1,225,451.77</u>	<u>\$2,031,653.14</u>
<b>By Lending Company</b>						
Commodore Sales Acceptance Limited—in U.S. dollars until 1960 then Canadian dollars.....	\$30,778.86	\$196,493.58	\$ 1,977.68	\$ 1,224.89	\$ 808,925.68	\$ 5,373.68
Commodore Factors Limited—U.S. dollars.....			343,202.60	527,620.59	416,526.09	1,189,325.64
Adelaide Acceptance Limited—Canadian dollars.....				304,500.00		517,001.20
	<u>\$30,778.86</u>	<u>\$196,493.58</u>	<u>\$345,180.28</u>	<u>\$833,345.48</u>	<u>\$1,225,451.77</u>	<u>\$2,031,653.14</u>
Increase in total loans from prior year.....	<u>\$30,778.86</u>	<u>\$165,714.72</u>	<u>\$148,686.70</u>	<u>\$488,165.20</u>	<u>\$ 392,106.29</u>	<u>\$ 485,914.72</u>

## BOND &amp; COSMAN COMPANIES

(Bond &amp; Cosman Limited, Trans Canada Millinery Sales Limited and Mart Utilities Limited)

## LITTLE SCOT COMPANIES

(Highlight Distributors Ltd., Mart Buying Services Ltd., Preston Lake Discount Stores Ltd., Province-Wide Stores Ltd., Celtic Discount Stores Ltd., Jumbo Discount Sales Ltd., Saxon Discount Stores Ltd., Anglo Discount Sales Ltd., Golburn Discount Sales Ltd., Spadina Discount Stores Ltd., Chatsworth Enterprises Ltd., Kelton Ultrasonics Ltd.)

## Summary of Advances from Commodore Sales Acceptance Limited, December 4, 1961-June 14, 1965

	Bond & Cosman Companies Commodore Advances	Little Scot Companies Commodore Advances	Total Commodore Advances	Approximate Deficit
<b>Balance July 31, 1962</b>				
Advances.....	\$ 655,000			\$ 71,000
Transactions, year ended July 31, 1963				
Advances.....	\$1,039,914			
Repayments.....	(389,006)			
Interest Capitalized.....	63,871			
	\$ 714,779			
<b>Balance July 31, 1963</b>	1,369,779		\$1,369,779	\$ 867,000
Transactions, year ended July 31, 1964				
Advances—Bond & Cosman Companies.....	795,096			
—Little Scot Companies.....	(711,616)	\$ 744,570		
Repayments—From Advances to Little Scot Companies.....	(333,299)	(23,920)		
—Other.....	156,308	(63,511)		
Interest Capitalized.....				
	\$1,276,268		\$1,998,918	\$1,593,000
<b>Balance July 31, 1964</b>				
Transactions, year ended July 31, 1965				
Advances—Bond & Cosman Companies.....	193,005			
—Little Scot Companies.....	(526,954)	1,282,314		
Repayments—From Advances to Little Scot Companies.....	(3,200)	(233,698)		
—Other.....	111,217			
Special Advances—Re Molly Corporation.....	(30,064)			
Less repayments.....	170,000			
—re Premiumwares Ltd.....	112,860	104,241		
Interest—Partly Accrued and partly Capitalized.....	26,864			
	\$1,303,132		\$3,176,639	\$2,273,000
<b>Balance July 31, 1965</b>				

## Source

Walton, Wagnan & Co. Financial Statements  
Commodore's Ledger Sheets  
Records of The Companies

TABLE 54

## LITTLE SCOT COMPANIES

(Highlight Distributors Ltd., Mart Buying Services Ltd., Preston Lake Discount Stores Ltd., Province-Wide Stores Ltd., Celtic Discount Stores Ltd., Jumbo Discount Sales Ltd., Saxon Discount Stores Ltd., Anglo Discount Sales Ltd., Golburn Discount Sales Ltd., Spadina Discount Stores Ltd., Chatsworth Enterprises Ltd., Kelton Ultrasonics Ltd.)

## Disposition of Initial Advances to the Little Scot Stores

	Initial Advance by Commodore to the Little Scot Companies	Little Scot Companies Advances to:		Repayments to Commodore by:	
		Bond & Cosman Ltd.	Mart Utilities Ltd.	Bond & Cosman Ltd.	Mart Utilities Ltd.
	(Per Commodore Ledger Sheets and Little Scot Cash Books)	(Per Little Scot Cash Books, and Records of Bond & Cosman Ltd. and Mart Utilities Ltd.)		(Per Commodore Ledger Sheets and Records of Bond & Cosman Ltd. and Mart Utilities Ltd.)	
Province-Wide Stores Ltd.	Apr. 15, 1964	\$160,607		Apr. 16, 1964	\$160,607
Celtic Discount Stores Ltd.	May 15, 1964	144,539		May 15, 1964	144,539
Jumbo Discount Sales Ltd.	May 15, 1964	175,457		May 15, 1964	175,457
Saxon Discount Stores Ltd.	May 29, 1964	127,833	\$127,833	May 29, 1964	\$127,833
Anglo Discount Sales Ltd.	May 29, 1964	103,180	103,180	May 29, 1964	103,180
					\$231,013
					\$480,603
					231,013
					\$711,616
<b>Total, year ended July 31, 1964.</b>					
Preston Lake Discount Stores Ltd.	Nov. 20, 1964	\$190,713		Nov. 23 & 27, 1964	\$215,000
Golburn Discount Sales Ltd.	Nov. 27 & 30, 1964	158,003	\$ 8,040	Dec. 8, 1964	\$ 8,040
				Nov. 30, 1964	255,372
Spadina Discount Stores Ltd.	Nov. 30, 1964	160,416			
Chatsworth Enterprises Ltd.	Nov. 30, 1964	26,148	26,148		
				Nov. 30, 1964	48,542
Kelton Ultrasonics Ltd.	Nov. 30, 1964	31,275	31,275		
					\$56,582
					\$470,372
					56,582
					\$526,954
<b>Total, year ended July 31, 1965.</b>					

**BOND & COSMAN COMPANIES**  
(Bond & Cosman Limited, Trans Canada Millinery Sales Limited and Mart Utilities Limited)

**LITTLE SCOT COMPANIES**

(Highlight Distributors Ltd., Mart Buying Services Ltd., Preston Lake Discount Stores Ltd., Province-Wide Stores Ltd., Celtic Discount Stores Ltd., Jumbo Discount Sales Ltd., Saxon Discount Stores Ltd., Anglo Discount Sales Ltd., Golburn Discount Sales Ltd., Spadina Discount Stores Ltd., Chatsworth Enterprises Ltd., Kelton Ultrasonics Ltd.)

**Initial Transfers of Inventory from the Bond & Cosman Companies to the Little Scot Companies  
as Security for Advances by Commodore Sales Acceptance Ltd.**

	<i>Initial Advance by Commodore to the Little Scot Companies</i>		<i>Initial Inventory Transferred to the Little Scot Companies by:</i>		
	<i>(Per Commodore Ledger Sheets and Little Scot Cash Books)</i>		<i>(Per Purchase Journals of Little Scot Companies)</i>		
			<i>Bond &amp; Cosman Ltd.</i>	<i>Mart Utilities Ltd.</i>	
Province-Wide Stores Ltd.	April 15, 1964	\$ 160,607	March 20, 1964	\$ 60,607	
Celtic Discount Stores Ltd.	May 15, 1964	144,539	April 15, 1964	42,287	
			April 15, 1964	44,539	
			May 11, 1964	5,012	
Jumbo Discount Sales Ltd.	May 15, 1964	175,457	May 22, 1964	75,457	\$10,764
			April 24, 1964	4,532	
Saxon Discount Stores Ltd.	May 20, 1964	127,833	May 22-27, 1964		3,881
			May 22, 1964		28,070
Anglo Discount Sales Ltd.	May 29, 1964	103,180	May 27, 1964		3,180
			May 30, 1964		2,814
				\$232,434	
<b>Total, year ended July 31, 1964</b>		<b>\$ 711,616</b>		<b>48,699</b>	<b>\$48,699</b>
Preston Lake Discount Stores Ltd.	November 20, 1964	\$190,713		\$281,133	
Golburn Discount Sales Ltd.	November 27 and 30, 1964	158,003	November 2, 1964	\$90,713	
Spadina Discount Stores Ltd.	November 30, 1964	160,416	December 7, 1964		\$8,040
Chatsworth Enterprises Ltd.	November 30, 1964	28,148	November 30, 1964	49,963	
			November 2, 1964	60,416	
Kelton Ultrasonics Ltd.	November 30, 1964	31,275	August 1, 1964		20,975
			August 30, 1964		19,977
				\$201,092	
<b>Total, year ended July 31, 1965</b>		<b>\$ 566,555</b>		<b>48,992</b>	<b>\$48,992</b>
<b>Total Initial Advances to Little Scot Companies</b>		<b>\$1,278,171</b>		<b>\$250,084</b>	<b>\$250,084</b>



# **BOND & COSMAN COMPANIES** (Bond & Cosman Limited, Trans Canada Millinery Sales Limited and Mart Utilities Limited)

## **LITTLE SCOT COMPANIES**

(Highlight Distributors Ltd., Mart Buying Services Ltd., Preston Lake Discount Stores Ltd., Province-Wide Stores Ltd., Celtic Discount Stores Ltd., Jumbo Discount Sales Ltd., Saxon Discount Stores Ltd., Anglo Discount Sales Ltd., Golburn Discount Sales Ltd., Spadina Discount Stores Ltd., Chatsworth Enterprises Ltd., Kelton Ultrasonics Ltd.)

### **Security for Loans from Commodore Sales Acceptance Limited**

	Loan at July 31, 1965	Security for Loan		
		Debtures	G. Groschup— Personal Guarantee	Other
Bond & Cosman Ltd.	\$ 363,928	\$ 500,000	\$ 500,000	\$170,000
Mart Utilities Ltd.	443,200			81,153
Trans Canada Millinery Sales Ltd.	498,004			
<b>Total Bond &amp; Cosman Companies</b>	<b>\$1,303,132</b>			
Highlight Distributors Ltd.	255,410			
Mart Buying Services Ltd.	191,020			
Preston Lake Discount Stores Ltd.	203,328			
Province-Wide Stores Ltd.	193,347			
Celtic Discount Stores Ltd.	187,185			
Jumbo Discount Sales Ltd.	188,513			
Saxon Discount Stores Ltd.	150,231			
Anglo Discount Sales Ltd.	124,180			
Golburn Discount Sales Ltd.	164,733			
Spadina Discount Stores Ltd.	173,485			
Chatsworth Enterprises Ltd.	37,058			
Kelton Ultrasonics Ltd.	35,017			
<b>Total Little Scot Companies</b>	<b>\$1,873,507</b>			
<b>Total Loans</b>	<b>\$3,176,639</b>			
		\$2,625,000	\$2,025,000	\$251,153

Note: The ultimate recovery of Commodore Sales Acceptance Ltd. on the above securities is estimated at \$69,000.



TABLE 57

**SYMPHON**  
**Transactions wi**  
**Incorporating Non Cash Entries**  
**Reference—Commodore Factor**  
**—Symphony Paint Compan**

				Operating Loans			
		Note No. 1	Loan re				Loan re National
		\$350,000.00 U.S.	Insurance	Inventory	Operating		Acceptance
			Policies	Loans	Notes	Total	Notes Receivable
1961	Advances.....	\$125,000					
1962	Advances—Charges.....	225,000	\$66,500	\$ 41,389	\$159,800	\$ 201,189	\$57,000
	Repayments.....	(14,000)				(100,700)	
	Capitalization of Principal & Interest....	(28,000)				49,498	
Dec. 31, 1962—Balance.....		308,000	66,500			149,987	57,000
1963	Advance—Charges.....			179,609	466,814	646,423	
	Repayments.....		(66,500)			(327,881)	
	Capitalization of Interest...					37,124	
Dec. 31, 1963—Balance.....		308,000	—			505,653	57,000
1964	Advances—Charges.....			423,561	418,510	842,071	
	Repayments.....					(505,798)	
	Capitalization of Interest...					32,016	
Dec. 31, 1964—Balance.....		308,000	—			873,942	57,000
1965	Advances—Charges.....			116,635	259,005	375,640	
	Repayments.....					(174,521)	
	Capitalization of Interest...					—	
June 30, 1965—Balance.....		\$308,000	—			\$1,075,061	\$57,000

Note: Details of Note No. 1

Amount of Loan.....	\$350,000.00 U.S.
Paid to National Acceptance Corporation re Discharge of Debt.....	\$168,567.54
Repay previous Loans from Commodore Factors Limited.....	160,000.00
Interest paid to Commodore Factors Limited.....	3,392.87
Paid J. G. Meckler to repay Canadian Bank Loan and pay Legal Fees.....	16,289.59
Foreign Exchange Holdback.....	1,750.00
	\$350,000.00

# PAINT COMPANY

## Commodore Factors Limited Reconcile with General Ledger Accounts

### Cash Books Books of Account

Special Inventory Loan	Interest			Balance per Commodore Factors Books	Balance per Symphony Paint Books	Difference		
	Re Note No. 1	Re Other Loans	Note No. 2 re Interest			Accounted For	Not Accounted For	Total
				\$ 125,000				
59,000	\$35,890 (3,500)	\$11,628		656,207 (118,200)				
	(9,870)	(11,628)		—				
59,000	22,520	—		663,007	\$ 571,070	\$82,179	\$ 9,758	\$91,937
(3,196)	25,277 (45,180)	49,002 (11,878) (37,124)	\$ 9,867 Int. 45,180 Prin.	730,569 (409,455) —				
55,804	2,617	—	55,047	984,121	932,012	46,704	5,405	52,109
(55,804)	18,460	84,958 (45,037) (32,016)		945,489 (606,639) —				
—	21,077	7,905	55,047	1,322,971	1,322,971			
	6,681	53,094 (41,948)		435,415 (216,469) —				
—	\$27,758	\$19,051	\$55,047	\$1,541,917	\$1,492,624	\$37,220	\$12,073	\$49,293

## PRO MUSICA LIMITED AND PEARLSOUND DISTRIBUTORS LIMITED

## Unit Cost and Selling Price Data

<i>Model</i>	<i>Inventoried Cost</i>	<i>Invoice No.</i>	<i>Sale Price to Pearl- sound</i>	<i>Gross Profit (Loss)</i>	<i>% of Selling Price</i>	<i>Cost from Pro Musica</i>	<i>Pearl- sound Invoice</i>	<i>Sale Price</i>	<i>Gross Profit (Loss)</i>	<i>% Selling Price</i>	<i>Total Gross Profit (Loss)</i>	<i>% Selling Price</i>
Tosca.....	\$201.51	3144	\$303.70	\$ 93.19	31%	\$303.70	1508	\$540.00	\$236.30	44%	\$338.49	63%
Captain.....	134.25	3144	102.00	(32.25)	(31%)	102.00	1513	170.00	68.00	40%	35.75	21%
Ramona.....	179.38	3144	114.00	(65.38)	(57%)	114.00	1504	190.00	76.00	40%	10.62	6%
Copenhagen.....	181.23	3144	160.00	(21.23)	(13%)	160.00	1468	200.00	40.00	20%	18.77	9%
Vineta.....	184.85	3144	160.00	(24.85)	(15%)	160.00	1468	210.00	50.00	24%	25.15	12%
Dominio.....	127.83	3144	190.00	62.17	33%	190.00	1468	245.00	55.00	22%	117.17	48%
Reinperle.....	62.55	3144	48.00	(14.55)	(30%)	48.00	1460	80.00	32.00	40%	17.45	22%
Butterfly.....	128.76	3144	190.00	61.24	32%	190.00	1468	255.00	65.00	25%	126.24	49%

PRO MUSICA LIMITED  
Estimated Minimum Sales Volume — Five Products — Fiscal, 1964

Product	1963	Inventories 1964	Decrease	Selling Price	Sales Value	Cost Price	Cost Value	Pearlstrand		Gross Loss	Sales Value	Cost Value	Gross Profit
								Selling Price	Gross Price				
Captain.....	623	402	221	\$102	\$ 22,542	\$134	\$ 29,614	\$170	\$ 7,072	\$ 7,072	\$ 37,570	\$ 29,614	\$ 7,956
Ramona.....	797	386	411	114	46,854	179	73,569	190	26,715	26,715	78,090	73,569	4,521
Copenhagen.....	281	105	176	160	28,160	181	31,856	200	3,696	3,696	35,200	31,856	3,344
Vineta.....	95	65	30	160	4,800	185	5,550	210	750	750	6,300	5,550	750
Reinperi.....	718	594	124	48	5,952	62	7,688	80	1,736	1,736	9,920	7,688	2,232
(a) Totals.....					\$108,308		\$148,277		\$39,969		\$167,080	\$148,277	\$18,803
(b) Total sales and cost of sales for the year.....					\$466,341		\$595,165		\$128,824				
(a) as a percent of (b).....					23%		25%		31%				

TABLE 60

# BRITISH MORTGAGE Comparative Balance Sheets at Fiscal Year-End

	% Total Assets	Dec. 31 1967	Dec. 31 1968
<b>ASSETS</b>			
Cash on hand and in Banks.....	2.42	\$ 601,273	\$ 602,400
Securities, Book Value less Reserves.....	18.04	4,491,150	5,366,900
Bonds — Government, Provincial, Municipal.....	8.58	\$ 2,137,644	\$ 2,614,800
— Corporation.....	2.92	725,775	1,333,500
Stocks.....	6.54	1,627,731	1,418,400
Short Term Notes.....	—	—	—
Loans secured by Guaranteed Investment Certificates, Stocks or Bonds.....	—	—	—
Mortgages.....	79.40	19,767,922	23,182,500
Real estate — Held for Sale, less Reserve.....	—	—	—
— For Investment, less Reserve.....	—	—	—
Premises — Less Reserve.....	.14	35,917	28,600
Sundry Accounts Receivable.....	—	—	—
<b>TOTAL ASSETS.....</b>	<b>100.00</b>	<b>\$24,896,262</b>	<b>\$29,180,500</b>
<b>ESTATES, TRUSTS, AND AGENCIES.....</b>		<b>\$ 1,098,710</b>	<b>\$ 1,531,870</b>
<b>LIABILITIES AND CAPITAL</b>			
Guaranteed Investment Certificates (plus Accrued Interest).....	58.31	\$14,516,108	\$17,470,450
Savings Deposits.....	30.62	7,623,275	8,778,640
Deposits — Term, Short-term and Receipts.....	—	—	—
Public Funds.....	88.93	\$22,139,383	\$26,249,100
Special Reserve re Mortgages (Sec. 85G, I.T.A.).....	.57	142,774	201,100
Provision for Canada and Ontario Income Taxes.....	—	—	42,440
Other.....	.38	93,478	63,960
<b>TOTAL LIABILITIES.....</b>	<b>89.88</b>	<b>\$22,375,635</b>	<b>\$26,556,610</b>
Capital Stock.....	4.13	\$ 1,028,500	\$ 1,042,600
General Reserve Fund.....	5.62	1,400,000	1,500,000
Profit and Loss.....	.37	92,127	81,370
<b>TOTAL CAPITAL.....</b>	<b>10.12</b>	<b>\$ 2,520,627</b>	<b>\$ 2,623,970</b>
<b>TOTAL LIABILITIES AND CAPITAL.....</b>	<b>100.00</b>	<b>\$24,896,262</b>	<b>\$29,180,580</b>

NOTE: These figures are taken from the published financial statements and are regrouped in some cases. Due to a change in accounting procedures in 1964, the 1964 and 1965 figures include accrued interest on the securities and mortgages. The June 30, 1965 figures are unaudited.



# TRUST COMPANY

Year Ends 1957-1964 and June 30, 1965

<u>Oct. 31</u> <u>1959</u>	<u>Oct. 31</u> <u>1960</u>	<u>Oct. 31</u> <u>1961</u>	<u>Oct. 31</u> <u>1962</u>	<u>Oct. 31</u> <u>1963</u>	<u>%</u> <u>Total</u> <u>Assets</u>	<u>Oct. 31</u> <u>1964</u>	<u>June 30</u> <u>1965</u>
\$ 700,294	\$ 1,183,433	\$ 1,604,031	\$ 1,534,114	\$ 1,581,442	2.12	\$ 2,255,584	\$ 2,158,367
5,878,218	9,286,307	9,466,748	14,332,256	16,699,083	18.14	19,338,939	25,889,338
\$ 2,232,427	\$ 5,047,365	\$ 3,734,367	\$ 6,381,664	\$ 5,897,952	6.81	\$ 7,261,679	\$ 8,381,596
695,769	1,662,918	1,444,543	1,440,043	954,093	1.31	1,399,849	1,368,642
2,950,022	2,076,024	3,287,838	3,905,164	5,165,352	5.96	6,350,522	5,327,274
—	500,000	1,000,000	2,605,385	4,681,686	4.06	4,326,889	10,811,826
—	—	—	511,570	1,635,887	2.59	2,768,465	4,335,265
27,655,560	32,026,057	37,597,340	45,342,863	57,028,363	71.69	76,439,377	88,282,330
—	—	—	509,055	2,096,784	2.55	2,716,848	2,757,177
—	143,594	340,170	484,497	650,764	.70	745,615	862,006
1	159,518	643,119	1,703,806	1,861,001	2.21	2,351,687	2,356,198
—	—	—	—	—	—	—	98,089
\$34,234,073	\$42,798,909	\$49,651,408	\$64,418,161	\$81,553,324	100.00	\$106,616,515	\$126,738,770
\$ 1,489,404	\$ 1,916,102	\$ 2,150,664	\$ 2,859,489	\$ 3,631,522		\$ 4,995,159	\$ 5,247,654
\$22,262,107	\$29,376,885	\$33,666,387	\$44,771,221	\$ 6,016,641	66.03	\$ 70,402,750	\$ 78,363,756
8,757,663	9,306,813	10,207,969	10,623,036	14,852,865	23.20	24,743,216	30,920,621
—	745,964	1,691,869	4,460,580	5,653,390	4.18	4,454,174	9,023,555
\$31,019,770	\$39,429,662	\$45,566,225	\$59,854,837	\$76,522,896	93.41	\$ 99,600,140	\$118,307,932
270,471	350,837	445,254	559,200	702,300	.85	900,900	1,050,000
90,724	83,854	346,567	23,759	(21,915)	.69	738,080	990,006
—	—	—	—	29,601	.10	98,155	138,143
\$31,380,965	\$39,864,353	46,358,046	\$60,437,832	\$77,232,882	95.05	\$101,337,275	\$120,486,081
\$ 1,047,500	\$ 1,058,400	\$ 1,177,900	\$ 1,379,300	\$ 1,445,715	1.39	\$ 1,484,735	\$ 1,521,370
1,600,000	1,700,000	1,900,000	2,400,000	2,700,000	3.28	3,500,000	3,500,000
205,608	176,156	215,462	201,029	174,727	.28	294,505	1,231,319
\$ 2,853,108	\$ 2,934,556	\$ 3,293,362	\$ 3,980,329	\$ 4,320,442	4.95	\$ 5,279,240	\$ 6,252,689
\$34,234,073	\$42,798,909	\$49,651,408	\$64,418,161	\$81,553,324	100.00	\$106,616,515	\$126,738,770

TABLE 61

## BRITISH MORTGAGE

Comparative Statement of Revenue and Expenses  
Fiscal Years 1957-1964 and 1958-1965

	Dec. 31 1957	Dec. 31 1958
Income from Investments .....	\$1,302,012	\$1,589,65
Mortgages .....	\$1,171,095	\$1,312,94
Bonds .....	77,188	175,57
Stocks .....	41,691	98,83
Short-Term Notes .....	12,038	2,30
Sundry Income .....	\$18,923	\$30,94
Commissions and Inspections .....	\$ 4,886	\$13,25
Property Management Fees .....	—	—
Estates, Trusts and Agency Fees .....	11,940	15,49
Commissions on Real Estate sold .....	—	—
Real Estate for Investment and Sale Income .....	—	—
Miscellaneous .....	2,097	2,19
Profit (loss) on sale of Securities and Real Estate .....	\$ (7,033)	\$29,90
Profit (loss) on sale of Securities (Net) .....	\$ (24,373)	\$29,90
Profit on Real Estate Sales .....	17,340	—
Total Income .....	\$1,313,902	\$1,650,507
Less:		
General and Administration Expenses .....	\$ 249,995	\$ 265,519
Interest Expense on — Guaranteed Investment Certificates .....	496,835	710,455
— Other Public Funds .....	191,508	197,710
Provision for loss on Securities (Book Value of Securities written down)* .....	10,000	81,232
Provision for loss on Real Estate held for Investment .....	—	—
Special Reserve against Mortgages .....	50,033	58,334
Depreciation and Write Offs — office premises and equipment .....	11,722	44,933
Total Interest, Expense and Provisions .....	\$1,010,093	\$1,358,183
Earnings for the year .....	\$ 303,809	\$ 292,324
Provision for Income Taxes .....	115,000	105,000
Earnings after Tax .....	\$ 188,809	\$ 187,324
Undivided Profits brought forward from prior year .....	100,693	92,127
Premiums received on sale of Capital Stock .....	15,525	16,215
Profit on sale of Securities after amount appropriated to Reserves .....	—	—
Adjustment of prior years' earnings due to change in Accounting .....	—	—
*Provision for addition 1958 Tax; †settlement of Tax Liability for gains previously claimed as Capital Profits .....	\$ 305,027	\$ 295,666
Transfer to General Reserve (including Premiums ex Capital Stock) .....	100,000	100,000
Dividends .....	112,900	114,296
Undivided Profits carried forward .....	\$ 92,127	\$ 81,370

## TRUST COMPANY

Expenditure and Undivided Profits  
Months to June 30, 1965

<u>Oct. 31</u> <u>1959</u>	<u>Oct. 31</u> <u>1960</u>	<u>Oct. 31</u> <u>1961</u>	<u>Oct. 31</u> <u>1962</u>	<u>Oct. 31</u> <u>1963</u>	<u>Oct. 31</u> <u>1964</u>	<u>June 30</u> <u>1965</u>
\$1,675,990	\$2,439,345	\$3,287,657	\$3,659,944	\$4,852,700	\$6,378,380	4,855,049
\$1,397,767	\$2,042,993	\$2,713,461	\$3,060,870	\$4,048,633	\$5,172,781	\$4,022,261
159,603	234,282	366,906	294,057	426,252	319,253	371,326
108,703	134,288	141,581	199,930	245,124	292,645	186,285
9,917	27,782	65,709	105,087	132,691	593,701	275,177
\$33,804	\$39,459	\$72,409	\$110,972	\$175,610	\$301,472	\$271,162
\$15,895	\$21,888	\$21,582	\$29,937	\$32,131	\$44,877	\$24,997
—	—	—	4,006	11,727	12,017	2,305
15,680	14,887	40,307	31,082	28,369	34,020	40,278
—	—	—	10,598	46,386	82,896	65,740
—	—	2,946	31,569	41,448	99,802	84,855
2,229	2,684	7,574	3,780	15,549	27,860	52,987
\$81,223	\$(82,610)	\$7,667	\$138,520	\$147,400	\$104,777	\$16,393
\$81,223	\$(82,610)	\$7,667	\$137,033	\$58,810	\$104,777	\$16,393
—	—	—	1,487	88,590	—	—
\$1,791,017	\$2,396,194	\$3,367,733	\$3,909,436	\$5,175,710	\$6,784,629	\$5,142,604
\$ 253,388	\$ 376,357	\$ 454,557	\$ 736,523	\$1,058,592	\$1,530,815	\$1,001,670
737,543	1,314,579	1,564,709	1,876,932	2,713,910	3,320,384	2,489,162
181,766	237,707	302,109	335,828	437,724	743,383	723,989
110,000	34,347*	30,000	—	52,690	—	—
—	—	10,000	—	97,310	20,000	—
69,363	80,366	94,417	113,946	143,100	198,600	149,100
39,063	15,653	275,000	337,561	212,856	269,149	273,576
\$1,391,123	\$2,059,009	\$2,730,792	\$3,400,790	\$4,716,182	\$6,082,331	\$4,637,497
\$ 399,894	\$ 337,185	\$ 636,941	\$ 508,646	\$ 459,528	\$ 702,298	\$ 505,107
129,000	133,000	401,000	225,000	100,000	257,500	167,307
\$ 270,894	\$ 204,185	\$ 235,941	\$ 283,646	\$ 359,528	\$ 444,798	\$ 337,800
81,370	205,608	176,156	215,462	201,029	174,728	294,505
5,635	12,535	137,425	392,515	125,180	73,180	68,595
—	—	—	—	—	60,169	757,134
—	—	—	—	—	744,971	—
\$ 357,899	\$ 422,328	\$ 549,522	\$ 891,623	\$ 685,737	\$1,497,846	\$1,458,034
—	30,000*	—	—	—	167,508†	—
100,000	100,000	200,000	500,000	300,000	800,000	—
52,291	116,172	134,060	190,594	211,010	235,833	226,715
\$ 205,608	\$ 176,156	\$ 215,462	\$ 201,029	\$ 174,727	\$ 294,505	\$1,231,319

(Continued)

## BRITISH MORTGAGE &amp; TRUST COMPANY

Statement of Revenue and Expenditure  
for the Years Ended December 31, 1957  
and October 31, 1964

	December 31 1957	%	October 31 1964	%
Income from Investments.....	\$1,302,012	99.09	\$6,378,380	94.01
Mortgages.....	\$1,171,095	89.13	\$5,172,781	76.24
Bonds.....	77,188	5.87	319,253	4.71
Stocks.....	41,601	3.17	292,645	4.31
Short-Term Notes.....	12,038	.92	593,701	8.75
Sundry Income.....	\$ 18,923	1.45	\$ 301,472	4.45
Commissions and Inspections.....	\$ 4,888	.37	\$ 44,877	.66
Property Management Fees.....	—	—	12,017	.18
Estates, Trusts and Agency Fees.....	11,940	.91	34,020	.50
Commissions on Real Estate sold.....	—	—	82,896	1.22
Real Estate for Investment and Sale Income.....	—	—	99,802	1.47
Miscellaneous.....	2,097	.17	27,860	.42
Profit (loss) on sale of Securities and Real Estate.....	\$ (7,033)	(.54)	\$ 104,777	1.54
Profit (loss) on sale of Securities (Net).....	\$ (24,373)	(1.86)	\$ 104,777	1.54
Profit on Real Estate sales.....	17,340	1.32	—	—
Total Income.....	\$1,313,902	100.00	\$6,784,629	100.00
Less:				
General and Administration Expenses.....	249,995	19.03	1,530,815	22.56
Interest Expense on—				
Guaranteed Investment Certificates.....	496,835	37.81	3,320,384	48.94
Other Public Funds.....	191,508	14.58	743,383	10.96
Provision for Loss on Securities (Book Value of Securities written down)*.....	10,000	.76	—	—
Provision for Loss on Real Estate held for Investment.....	—	—	20,000	.29
Special Reserve against Mortgages.....	50,033	3.81	198,600	2.93
Depreciation and Write offs—Office premises and equipment..	11,722	.89	269,149	3.97
Total Interest, Expense and Provisions.....	\$1,010,093	76.88	\$6,082,331	89.65
Earnings for the year.....	\$ 303,809	23.12	\$ 702,298	10.35
Provision for Income Taxes.....	115,000	8.75	257,500	3.80
Earnings after Tax.....	\$ 188,809	14.37	\$ 444,798	6.55
Undivided Profits brought forward from prior year.....	100,693	7.66	174,728	2.58
Premiums received on sale of Capital Stock.....	15,525	1.18	73,180	1.08
Profit on sale of Securities after amount appropriated to Reserves..	—	—	60,169	.89
Adjustment of prior years earnings due to change in accounting....	—	—	744,971	10.98
*Provision for addition 1958 Tax; Settlement of Tax Liability for gains previously claimed as Capital Profits.....	—	—	167,508	2.47
Transfer to General Reserve (including Premiums ex Capital Stock)	100,000	7.61	800,000	11.79
Dividends.....	112,900	8.59	235,833	3.48
Undivided Profits carried forward.....	\$ 92,127	7.01	\$ 294,505	4.34

Percentage Growth of Assets in Comparison to Industry Averages  
1959 - 1964

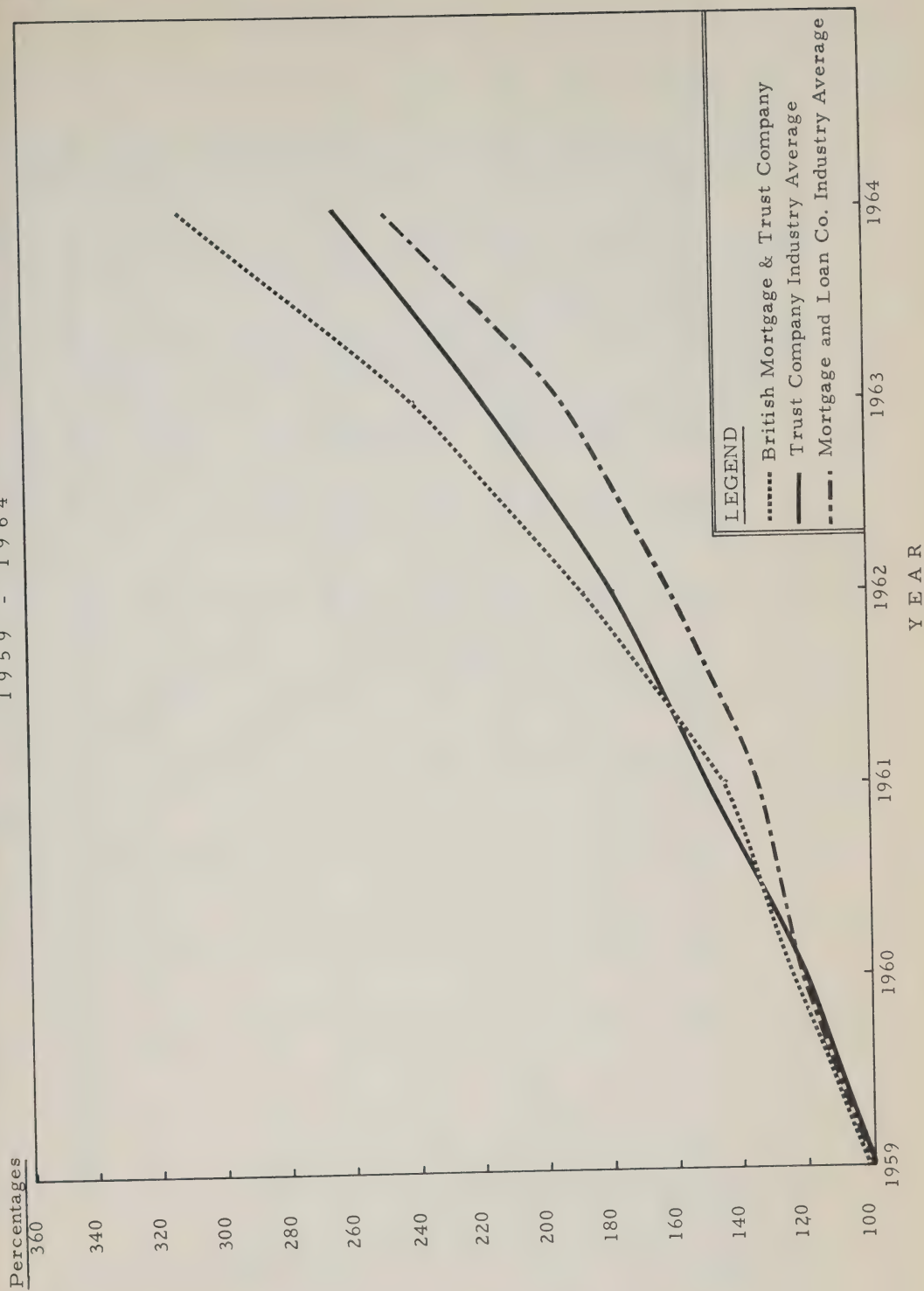




TABLE 63

BRITISH MORTGAGE & TRUST COMPANY

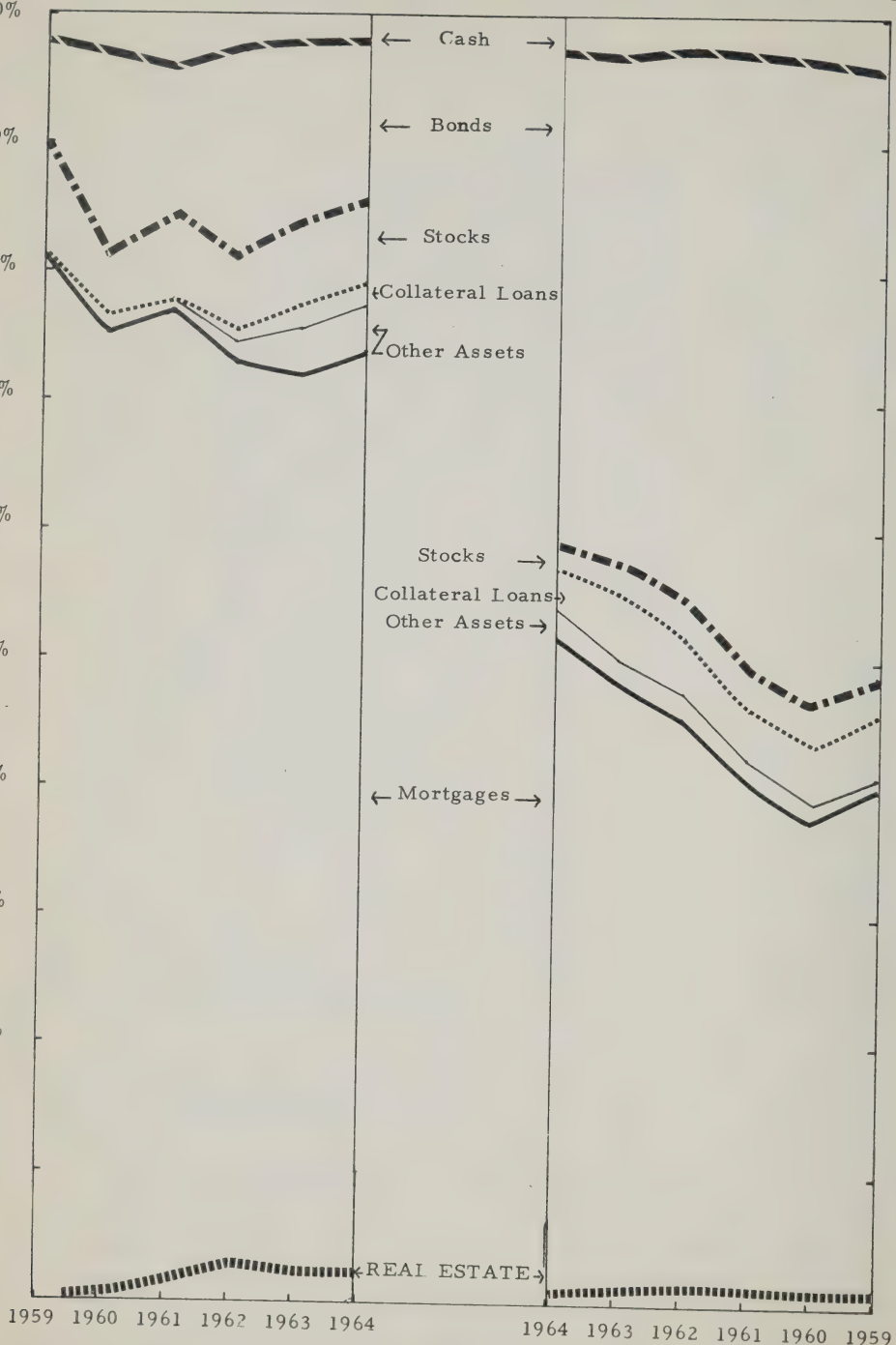
Comparison of Asset Composition with Trust Companies' Industry Average  
1959 - 1964

% of Total  
Assets

% of Total  
Assets

100%  
90%  
80%  
70%  
60%  
50%  
40%  
30%  
20%  
10%

100%  
90%  
80%  
70%  
60%  
50%  
40%  
30%  
20%  
10%



British Mortgage & Trust Company

Trust Companies' Average

TABLE 63 (Continued)

BRITISH MORTGAGE & TRUST COMPANY  
Supplement to Graph Showing Comparison of Asset Composition With Trust Companies' Industry Average

	British Mortgage & Trust Company					Trust Companies' Industry Average					
	1959	1960	1961	1962	1963	1964	1964	1962	1961	1960	1959
	%	%	%	%	%	%	%	%	%	%	%
Cash											
Comp. Funds.....	7.67	2.77	2.79	3.8	1.58	27.73	6.45	7.34	5.04	6.62	4.82
Guar. Funds.....	1.47	2.60	3.27	2.3	1.96	.33	2.43	2.14	2.46	2.74	3.84
Combined.....	2.05	2.77	3.23	2.40	1.95	2.12	2.75	2.58	2.68	3.10	3.95
Bonds											
Comp. Funds.....	.56	11.78	.99	3.7	4.07	3.00	30.47	26.87	28.86	31.29	29.54
Guar. Funds.....	9.38	16.19	13.47	17.1	14.80	12.71	38.52	44.22	50.07	52.28	49.15
Combined.....	8.53	15.68	12.44	16.32	14.12	12.09	37.87	42.75	48.18	50.30	47.03
Stocks											
Comp. Funds.....	91.77	61.62	80.48	55.0	57.97	35.35	24.69	28.14	28.17	27.44	27.46
Guar. Funds.....	—	—	—	2.3	2.87	3.91	.33	.46	.53	.48	—
Combined.....	8.62	4.84	6.62	6.13	6.33	5.96	2.28	2.82	3.00	3.02	2.97
Collateral Loans											
Comp. Funds.....	—	—	—	—	—	—	2.12	3.04	4.91	4.92	6.04
Guar. Funds.....	—	—	—	.9	2.14	2.76	3.12	4.44	3.66	4.11	4.62
Combined.....	—	—	—	.80	2.00	2.58	3.04	4.32	3.77	4.19	4.77
Other Assets											
Comp. Funds.....	—	19.10	—	1.9	—	.05	13.46	12.35	10.86	9.93	10.30
Guar. Funds.....	—	—	.75	1.7	3.72	3.58	1.02	.89	.87	.89	.02
Combined.....	—	1.50	.69	1.56	3.48	3.30	2.01	1.85	1.76	1.74	1.13
Mortgages											
Comp. Funds.....	—	—	—	—	—	—	10.56	7.91	8.69	8.80	10.86
Guar. Funds.....	89.15	81.21	82.51	75.7	74.51	76.71	54.58	47.85	42.41	39.50	42.37
Combined.....	80.81	74.99	75.72	70.12	69.84	71.75	51.05	44.46	39.41	36.61	38.97
Real Estate											
Comp. Funds.....	—	4.73	15.74	35.6	36.38	33.87	12.25	14.35	13.47	11.00	10.98
Guar. Funds.....	—	—	—	—	—	—	—	—	—	—	—
Combined.....	—	.22	1.30	2.67	2.28	2.20	1.00	1.22	1.20	1.04	1.18

TABLE 64

BRITISH MORTGAGE & TRUST COMPANY

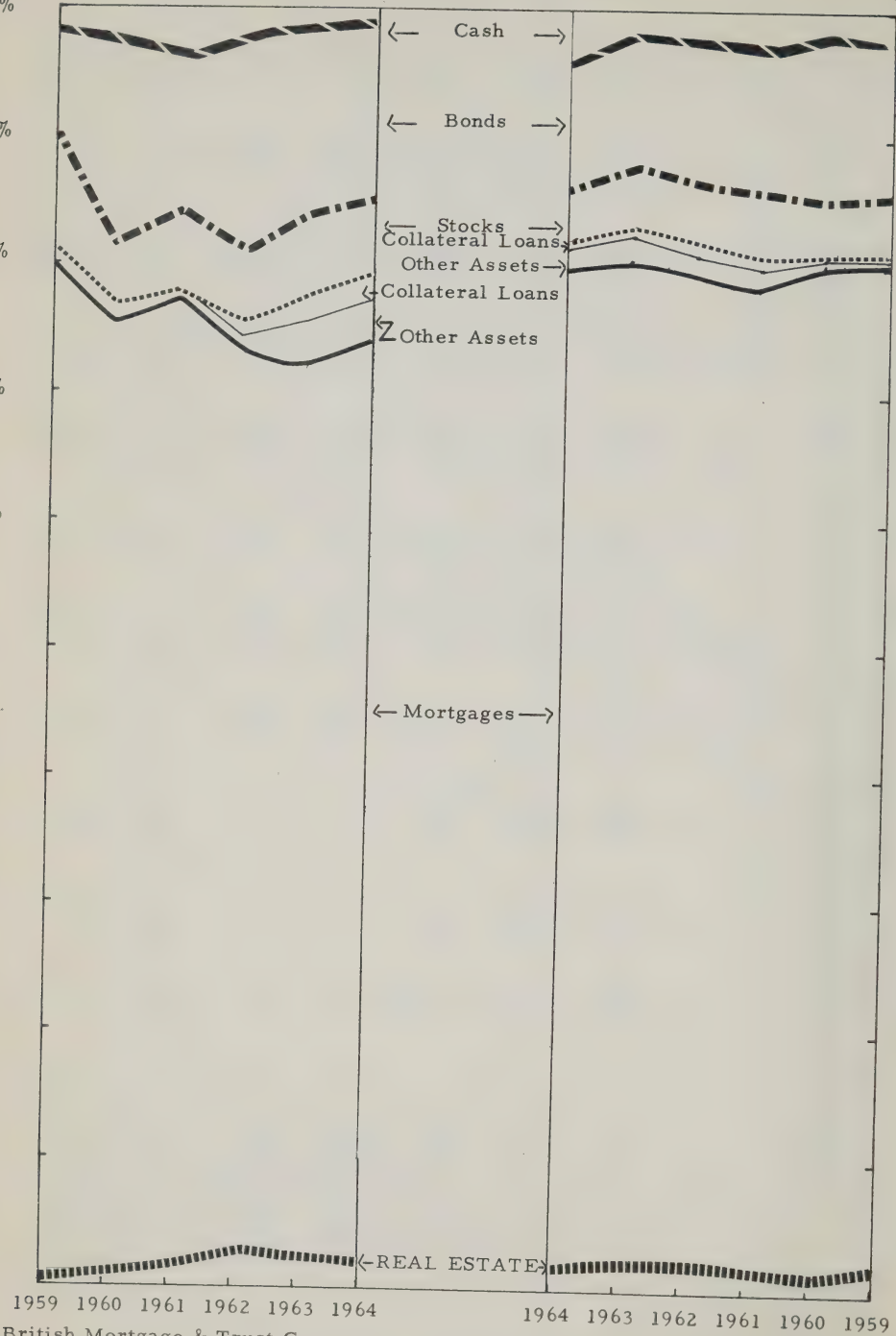
Comparison of Asset Composition with Mortgage and Loan Companies' Industry Average  
1959 - 1964

% of Total  
Assets

% of T  
Ass

100%  
90%  
80%  
70%  
60%  
50%  
40%  
30%  
20%  
10%

100  
90  
80  
70  
60  
50  
40  
30  
20  
10



1959 1960 1961 1962 1963 1964  
British Mortgage & Trust Company

1964 1963 1962 1961 1960 1959  
Mortgage and Loan Companies' Average

TABLE 64 (Continued)

BRITISH MORTGAGE & TRUST COMPANY  
Supplement to Graph Showing Comparison of Asset Composition With Loan Companies Industry Average

	British Mortgage & Trust Company						Loan Companies' Industry Average					
	1959	1960	1961	1962	1963	1964	1964	1963	1962	1961	1960	1959
Cash												
Comp. Funds.....	%	%	%	%	%	%	%	%	%	%	%	%
Guar. Funds.....	7.67	2.77	2.79	3.8	1.58	27.33	(*	1.58	1.84	2.06	1.68	2.35
Combined.....	1.47	2.60	3.27	2.3	1.96	.33	(*	1.96				
	2.05	2.77	3.23	2.40	1.95	2.12	4.10					
Bonds												
Comp. Funds.....	.56	11.78	.99	3.7	4.07	3.00	(*	4.07				
Guar. Funds.....	9.38	16.19	13.47	17.1	14.80	12.71	(*	14.80	11.34	12.28	12.27	11.84
Combined.....	8.53	15.68	12.44	16.32	14.12	12.09	9.95	14.12	10.51			
Stocks												
Comp. Funds.....	91.77	61.62	80.48	55.0	57.97	35.35	(*	57.97				
Guar. Funds.....	—	—	—	2.3	2.87	3.91	(*	2.87	4.47	5.04	4.34	4.74
Combined.....	8.62	4.84	6.62	6.13	6.33	5.96	3.88	6.33				
Collateral Loans												
Comp. Funds.....	—	—	—	.9	2.14	2.76	(*	2.14	1.17	.76	.24	.39
Guar. Funds.....	—	—	—	.80	2.00	2.58	(*	2.00				
Combined.....	—	—	—	—	—	—	.42	—	.62			
Other Assets												
Comp. Funds.....	—	19.10	—	1.9	—	.05	(*	—	1.60	1.30	.13	.15
Guar. Funds.....	—	—	.75	1.7	3.72	3.58	(*	3.72				
Combined.....	—	1.50	.69	1.56	3.48	3.30	1.71	3.48	1.83			
Mortgages												
Comp. Funds.....	—	—	—	—	—	—	(*	—	77.60	76.72	79.37	78.34
Guar. Funds.....	89.15	81.21	82.51	75.7	74.51	76.71	(*	74.51				
Combined.....	80.81	74.99	75.72	70.12	69.84	71.75	78.13	69.84	78.73			
Real Estate												
Comp. Funds.....	—	4.73	15.74	35.6	36.38	33.87	(*	36.38	1.98	1.84	1.19	2.19
Guar. Funds.....	—	—	—	—	—	—	(*	—	2.14			
Combined.....	—	.22	1.30	2.67	2.28	2.20	1.81	2.28				

\*Not Available

TABLE 65

BRITISH MORTGAGE & TRUST COMPANY

Comparison of Liability Composition with Mortgage and Loan Companies' Industry Average  
1959 - 1964

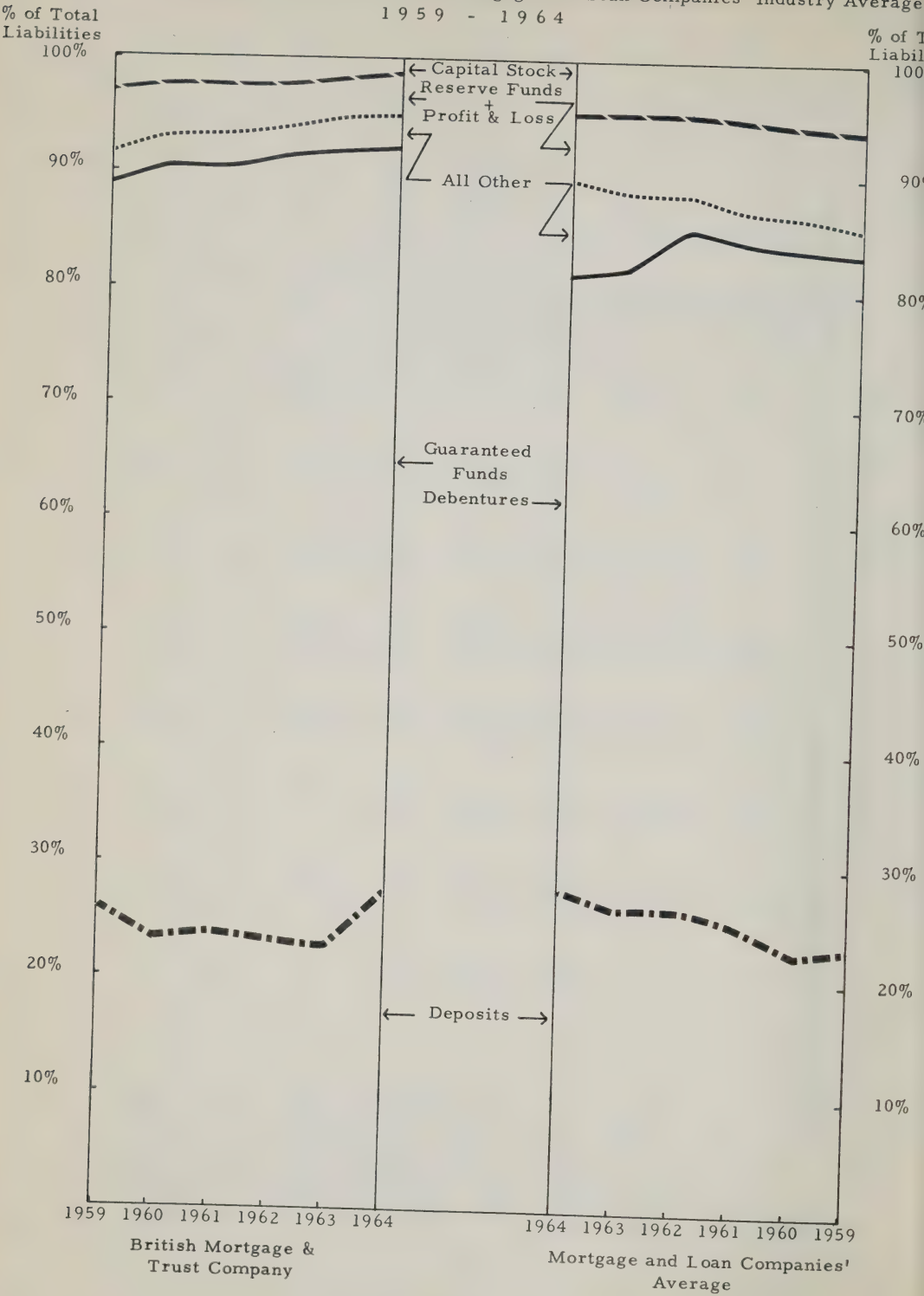




TABLE 65 (Continued)

BRITISH MORTGAGE & TRUST COMPANY  
 Supplement to Graph Showing Comparison of Liability Composition with Mortgage and Loan Industry Average

	British Mortgage & Trust Company					Mortgage and Loan Companies' Average				
	1959	1960	1961	1962	1963	1964	1963	1962	1961	1960
	%	%	%	%	%	%	%	%	%	%
Capital Stock										
Comp. Funds.....	32.59	3.14	28.8	30.2	28.3	21.3	(*)			
Guar. Funds.....							(*)			
Combined.....	3.06	2.47	2.37	2.14	1.77	1.39	4.63	4.36	4.71	5.39
										5.63
Reserve Funds and Profit and Loss										
Comp. Funds.....	56.18	5.57	51.8	57.0	56.1	54.7	(*)			
Guar. Funds.....							(*)			
Combined.....	5.27	4.38	4.26	4.04	3.52	3.56	5.82	7.10	8.20	7.97
										8.71
All Other										
Comp. Funds.....	11.23	12.9	19.4	12.8	15.6	24.0	(*)			
Guar. Funds.....	1.26	1.5	1.6	1.6	1.9	1.9	(*)			
Combined.....	2.21	2.44	1.6	2.35	2.74	2.83	8.35	2.87	2.70	2.67
										2.06
Guaranteed Funds										
Comp. Funds.....	70.48	73.0	72.2	73.2	73.4	68.9	(*)			
Guar. Funds.....	63.88	67.23	66.31	68.05	68.84	64.9	(*)			
Combined.....							53.16	59.27	59.00	61.14
										60.34
Deposits										
Comp. Funds.....	28.26	25.5	26.2	25.2	24.7	29.2	(*)			
Guar. Funds.....	25.58	23.48	23.96	23.4	23.13	27.32	(*)			
Combined.....							28.04	26.44	25.39	22.83
										23.26

\*Not Available

TABLE 66

BRITISH MORTGAGE & TRUST COMPANY  
Comparison of Liability Composition with Trust Companies' Industry Average  
1959 - 1964

% of Total  
Liabilities  
100%

% of T  
Liabil  
100%

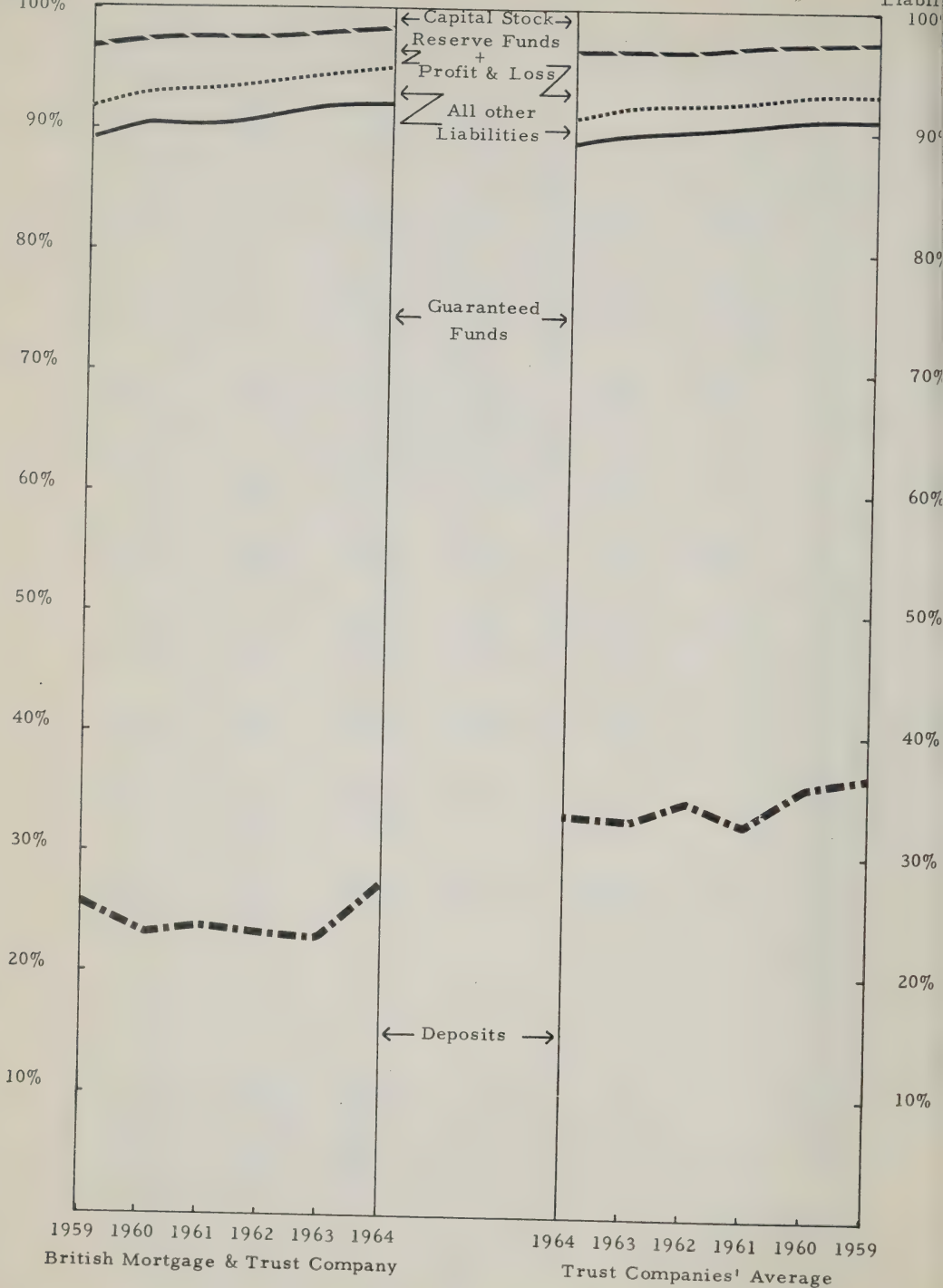


TABLE 66 (Continued)

## BRITISH MORTGAGE &amp; TRUST COMPANY

## Supplement to Graph Showing Comparison of Liability Composition With Trust Companies' Industry Average

	British Mortgage & Trust Company					Trust Companies' Industry Average				
	1959	1960	1961	1962	1963	1964	1964	1964	1964	1959
Capital Stock										
Comp. Funds.....	32.59	31.4	28.8	30.2	28.3	21.3	21.3	31.4	31.0	33.8
Guar. Funds.....		2.47	2.37	2.14	1.77	1.39	1.39	2.51	2.47	3.12
Combined.....	3.06									3.77
Reserve Funds & Profit and Loss										
Comp. Funds.....	56.18	55.7	51.8	57.0	56.1	54.7	54.7	57.6	58.3	52.8
Guar. Funds.....		4.38	4.26	4.04	3.52	3.56	3.56	4.61	4.64	4.88
Combined.....	5.27									5.65
All Other										
Comp. Funds.....	11.23	12.9	19.4	12.8	15.6	24.0	24.0	11.00	10.1	13.4
Guar. Funds.....	1.26	1.5	1.6	1.6	1.9	1.9	1.9	1.0	.08	.07
Combined.....	2.21	2.44	1.60	2.35	2.74	2.83	2.83	1.0	1.65	1.86
Guaranteed Funds										
Comp. Funds.....	70.48	73.0	72.2	73.2	73.4	68.9	68.9	59.1	61.0	61.8
Guar. Funds.....		67.23	66.31	68.05	68.84	64.9	64.9	54.41	56.13	56.80
Combined.....	63.88									
Deposits										
Comp. Funds.....	28.26	25.5	26.2	25.2	24.7	29.2	29.2	39.9	38.2	37.5
Guar. Funds.....		23.48	23.96	23.42	23.13	27.32	27.32	36.7	35.11	33.34
Combined.....	25.58									



## BRITISH MORTGAGE &amp; TRUST COMPANY

Government Bonds, Corporate Investments, Notes and Collateral Loans Showing the Gradual Increase in the Atlantic Complex Investments from 2.3% of the Company's Total Investments at October 31, 1959 to 32.4% at October 31, 1964

	1967	1968 Dec. 31	1969 Oct. 31	1960 Oct. 31	1961 Oct. 31	1962 Oct. 31	1963 Oct. 31	1964 Oct. 31	1965 June 30
Total Securities per Comparative Balance Sheet .....	\$4,491,150	\$5,366,970	\$5,878,218	\$ 9,286,307	\$ 9,466,748	\$14,332,256	\$16,699,083	\$19,338,939	\$25,889,338
Total Loans (Guaranteed Investment Certificates and Collateral) .....	—	—	—	—	—	511,570	1,635,887	2,768,465	4,335,265
Add back: Investment Reserves—	\$4,491,150	5,366,970	5,878,218	9,286,307	9,466,748	14,843,826	18,334,970	22,107,404	30,224,603
Common Stock .....	383,731	700,000	750,000	820,000	797,310	797,310	850,000	850,000	850,000
Corporate Bonds .....	—	—	10,000	10,000	140,000	140,000	140,000	140,000	140,000
Government and Provincial Bonds ..	150,000	130,000	140,000	140,000	10,000	10,000	10,000	10,000	10,000
Less: Loans on Guaranteed Investment Certificates Accrued Interest .....	\$5,024,881	6,196,970	6,778,218	10,256,307	10,414,058	15,791,136	19,334,970	23,107,404	31,224,603
Total Book Value of Investments .....	—	—	—	—	—	31,570	125,637	286,830	560,434
	\$5,024,881	16,196,970	\$6,778,218	\$10,256,307	\$10,414,058	\$15,759,566	\$19,209,333	\$22,687,142	\$30,516,245
Government, Provincial, Municipal Bonds	\$2,227,644 45.3%	\$2,744,887 44.3%	\$2,372,427 35.0%	5,187,365 50.6%	3,744,367 35.9%	6,391,664 40.6%	5,907,952 30.8%	7,208,489 31.8%	8,391,596 27.5%
Bonds, Stocks, Notes and Loans in Atlantic Acceptance and allied Companies .....	—	—	156,348 2.3%	838,757 8.2%	1,393,318 13.4%	3,975,346 25.2%	4,722,896 24.6%	7,351,757 32.4%	10,175,058 33.3%
Bonds, Stocks and Notes in other Corporations .....	2,747,237 54.7%	3,452,083 55.7%	4,249,443 62.7%	4,230,185 41.2%	5,276,373 50.7%	5,389,556 34.2%	8,578,485 44.6%	8,126,896 35.8%	11,949,591 39.2%
Total Investments .....	\$5,024,881	\$6,196,970	\$6,778,218	\$10,256,307	\$10,414,058	\$15,759,566	\$19,209,333	\$22,687,142	\$30,516,245

## PERCENTAGE ANALYSIS OF ALL INVESTMENTS



TABLE 68

# BRITISH MORTGAGE Schedule Showing Details of Each Type of Investment

	1959 Oct. 31	1960 Oct. 31
Bonds—Corporate per Balance Sheet.....	\$ 695,769	\$1,662,100
Add Investment Reserve.....	10,000	10,000
	<u>\$ 705,769</u>	<u>\$1,672,100</u>
Less Accrued Interest.....	—	—
Totals per Subsidiary Ledger.....	<u>\$ 705,769</u>	<u>\$1,672,100</u>
—Atlantic and Allied Interests.....	—	\$ 99,000
—Other Companies.....	\$ 705,769	1,573,100
Total Corporate Bonds.....	<u>\$ 705,769</u>	<u>\$1,672,100</u>
Stocks—per Balance Sheet.....	\$2,950,022	\$2,076,000
Add Investment Reserve.....	750,000	820,000
	<u>\$3,700,022</u>	<u>\$2,896,000</u>
Less Accrued Dividends.....	—	—
Total Stocks.....	<u>\$3,700,022</u>	<u>\$2,896,000</u>
—Atlantic and Allied Interests.....	\$ 156,348	\$ 239,700
—Other Companies.....	3,543,674	2,656,300
Total Stocks.....	<u>\$3,700,022</u>	<u>\$2,896,000</u>
Short Term Notes—per Balance Sheet.....	—	\$ 500,000
Less Accrued Interest.....	—	—
Total Short Term Notes.....	—	<u>\$ 500,000</u>
—Atlantic and Allied Interests.....	—	\$ 500,000
—Other Companies.....	—	—
Total Short Term Notes.....	—	<u>\$ 500,000</u>
Loans Secured by Investments—per Balance Sheet.....	—	—
Less Loans against Guaranteed Investment Certificates.....	—	—
Less Accrued Interest.....	—	—
Total Loans.....	—	—
—Atlantic and Allied Interests.....	—	—
Total (corporate) Bonds, Stocks, Notes and Loans.....	<u>\$4,405,791</u>	<u>\$5,068,900</u>
—Atlantic and Allied Interests.....	\$ 156,348	\$ 838,700
—Other Corporate.....	4,249,443	\$4,230,180
	<u>\$4,405,791</u>	<u>\$5,068,900</u>

Note: These total Atlantic figures agree with the figures shown on the breakdown of these investments as at October 31 each year.

# TRUST COMPANY

## Atlantic Acceptance and Allied Interests, and Other Corporations

1961 Oct. 31	1962 Oct. 31	1963 Oct. 31	1964 Oct. 31	1965 June 30
44,543	\$1,440,043	\$ 954,093	\$ 1,399,849	\$ 1,304,680
40,000	140,000	140,000	140,000	140,000
84,543	\$1,580,043	\$ 1,094,093	\$ 1,539,849	\$ 1,444,680
—	—	—	22,635	—
84,543	\$1,580,043	\$ 1,094,093	\$ 1,517,214	\$ 1,444,680
—	\$ 158,300	\$ 208,300	\$ 208,300	\$ 208,300
84,543	1,421,743	885,793	1,308,914	1,236,380
84,543	\$1,580,043	\$ 1,094,093	\$ 1,517,214	\$ 1,444,680
87,838	\$3,905,164	\$ 5,165,352	\$ 6,350,522	\$ 5,327,274
97,310	797,310	850,000	850,000	850,000
85,148	\$4,702,474	\$ 6,015,352	\$ 7,200,522	\$ 6,177,274
—	—	—	—	—
85,148	\$4,702,474	\$ 6,015,352	\$ 7,200,522	\$ 6,177,274
393,318	\$ 734,661	\$ 1,004,346	\$ 1,232,540	\$ 1,594,257
691,830	3,967,813	5,011,006	5,967,982	4,583,017
85,148	\$4,702,474	\$ 6,015,352	\$ 7,200,522	\$ 6,177,274
000,000	\$2,605,385	\$ 4,681,686	\$ 4,326,889	\$10,737,864
—	—	—	26,889	—
000,000	\$2,605,385	\$ 4,681,686	\$ 4,300,000	\$10,737,864
000,000	\$2,605,385	\$ 2,000,000	\$ 3,450,000	\$ 5,740,000
—	—	2,681,686	850,000	4,997,864
000,000	\$2,605,385	\$ 4,681,686	\$ 4,300,000	\$10,737,864
—	\$ 511,570	\$ 1,635,887	\$ 2,768,465	\$ 3,997,767
—	31,570	125,637	286,830	89,802
—	—	—	20,712	—
—	\$ 480,000	\$ 1,510,250	\$ 2,460,923	\$ 3,907,965
—	\$ 480,000	\$ 1,510,250	\$ 2,460,923	\$ 3,907,965
3,669,691	\$9,367,902	\$13,301,381	\$15,478,659	\$22,267,783
1,393,318	\$3,978,346	\$ 4,722,896	\$ 7,351,757	\$11,450,512
5,276,373	5,389,556	8,578,485	8,126,902	10,817,271
6,669,691	\$9,367,902	\$13,301,381	\$15,478,659	\$22,267,783

TABLE 69

**BRITISH MORTGAGE & TRUST COMPANY**

Investments in Atlantic Acceptance and Associated Companies  
Security Transactions Before and After Fiscal Year Ends[illegible]

TABLE 69 (Continued)

1965

1964

1963

1962

	1962			1963			1964			1965		
	Sept. 30	Oct. 31	Nov. 30	Sept. 30	Oct. 31	Nov. 30	Sept. 30	Oct. 31	Nov. 30	May 31	June 17	July 31
<b>ATLANTIC ACCEPTANCE</b>												
Common Shares.....	\$ 324,257	\$ 324,257	\$ 324,257	\$ 324,257	\$ 413,507 (K)	\$ 413,507 (K)	\$ 535,651	\$ 535,651	\$ 563,770	\$ 625,057	\$ 625,057	\$ 41,224
6½ Preferred.....	49,135	49,135	49,135	49,135	49,135	49,135	49,135	49,135	49,135	549,811	549,811	\$ 259,231
6 Preferred Conv. "A".....	1,080,000	282,000	514,800	480,000	480,000	480,000	480,000	480,000	935,351 (L)	5,500,000	4,150,000	3,400,000
Notes.....	8,625,045 (I)	2,605,385	4,805,000	3,200,000	1,250,000	2,849,631	3,699,731	1,750,000	4,350,000	6,724,003	5,374,003	\$ 3,700,455
	\$10,078,437	\$ 3,260,777	\$ 5,693,192	\$ 4,053,392	\$ 2,103,392	\$ 3,792,273	\$ 4,764,517	\$ 2,814,786	\$ 5,508,236			
<b>AURORA LEASING</b>												
Common Shares.....	\$ 20,000	\$ 20,000	\$ 20,000	\$ 65,740	\$ 71,685	\$ 70,285	\$ 70,285	\$ 70,285	\$ 70,285	\$ 70,285	\$ 70,285	\$ 70,285
Notes.....	120,300	120,300	120,300	870,300	870,300	870,300	1,820,300	1,820,300	1,820,300	1,980,300	1,980,300	1,980,300
	\$ 140,300	\$ 140,300	\$ 140,300	\$ 938,040	\$ 941,985	\$ 940,585	\$ 1,890,585	\$ 1,890,585	\$ 1,890,585	\$ 2,050,585	\$ 2,050,585	\$ 2,050,585
<b>NG-K. INVESTMENTS</b>												
Common Shares.....	\$ 20,200	\$ 20,200	\$ 20,200	\$ 20,200	\$ 20,200	\$ 20,200	\$ 20,200	W/O	—	\$ 38,000	\$ 38,000	\$ 38,000
Notes.....	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000
See also COLLATERAL LOANS.....												
<b>COMMODORE BUS. MACHINES</b>												
Common Shares.....	\$ 58,200	\$ 58,200	\$ 58,200	\$ 58,200	\$ 58,200	\$ 58,200	\$ 58,200	\$ 58,200	\$ 58,200	\$ 58,200	\$ 58,200	\$ 58,200
Bonds.....	39,069	39,069	39,069	59,069	59,069	59,069	79,969	79,969	79,969	202,469	202,469	\$ 202,469
Warrants.....	50,000 (J)	50,000 (J)	50,000 (J)	50,000	50,000	50,000	17,500	17,500	17,500	17,500	17,500	17,500
See also COLLATERAL LOANS.....												
<b>WESTERN HERITAGE</b>												
Common Shares.....	\$ 39,069	\$ 39,069	\$ 89,069	\$ 109,069	\$ 109,069	\$ 109,069	\$ 147,469	\$ 147,469	\$ 147,469	\$ 269,969	\$ 269,969	\$ 269,969
Notes.....	—	—	—	W/O	—	—	—	—	—	—	—	—
See also COLLATERAL LOANS.....												
<b>MAVETY FILM DELIVERY</b>												
Common Shares.....	\$ 480,000	\$ 480,000	\$ 480,000	\$ 480,000	\$ 480,000	\$ 480,000	\$ 480,000	\$ 480,000	\$ 480,000	\$ 80,000	\$ 80,000	\$ 80,000
Notes.....	—	—	—	—	—	—	—	—	—	—	—	—
<b>LONDON LIGHTHOUSE</b>												
Common Shares.....	\$ 480,000	\$ 480,000	\$ 480,000	\$ 480,000	\$ 480,000	\$ 480,000	\$ 480,000	\$ 480,000	\$ 480,000	\$ 480,000	\$ 480,000	\$ 480,000
Notes.....	—	—	—	—	—	—	—	—	—	—	—	—
<b>COLLATERAL LOANS</b>												
NG-K. Investments.....							\$ 240,000	\$ 240,000	\$ 240,000	240,000	240,000	240,000
Associated Can. Holdings.....							192,500	192,500	192,500	192,500	192,500	192,500
Transcommercial Accept.....							250,000	250,000	450,000 (M)	1,450,000	1,450,000	1,450,000
C.P. Morgan.....							114,375	114,375	114,375	81,908	77,053	—
Annett Partners.....							190,502	180,573	—	—	—	—
Annett King, Duncan.....							500,000	500,000	500,000	500,000	500,000	500,000
Chisholm & Co.....							356,664	356,664	354,674	348,087	348,087	153,356
Annett King, Walton, Kapp, Morgan, Wagman, Tramiel.....							380,000	380,000	380,000	150,320	150,320	—
Benniger, Christie, Hartzel, King, Lelands, Pondexter.....							24,000	24,000	97,942	500,000	500,000	500,000
Carman G. King.....							500,000	500,000	500,000	3,912,815	3,907,960	\$ 3,461,681
Mr. & Mrs. Christie.....							\$ 1,866,650	\$ 1,510,250	\$ 2,449,491	\$ 3,912,815	\$ 3,907,960	\$ 3,461,681
Western Heritage.....							\$ 7,033,351	\$ 4,722,896	\$ 10,032,781	\$ 13,555,372	\$ 12,200,517	\$ 10,080,690
<b>TOTAL.....</b>	\$10,316,006	\$ 3,978,346	\$ 6,460,761	\$ 7,033,351	\$ 4,722,896	\$ 6,410,377	\$ 9,354,812	\$ 7,351,757	\$ 10,032,781	\$ 13,555,372	\$ 12,200,517	\$ 10,080,690

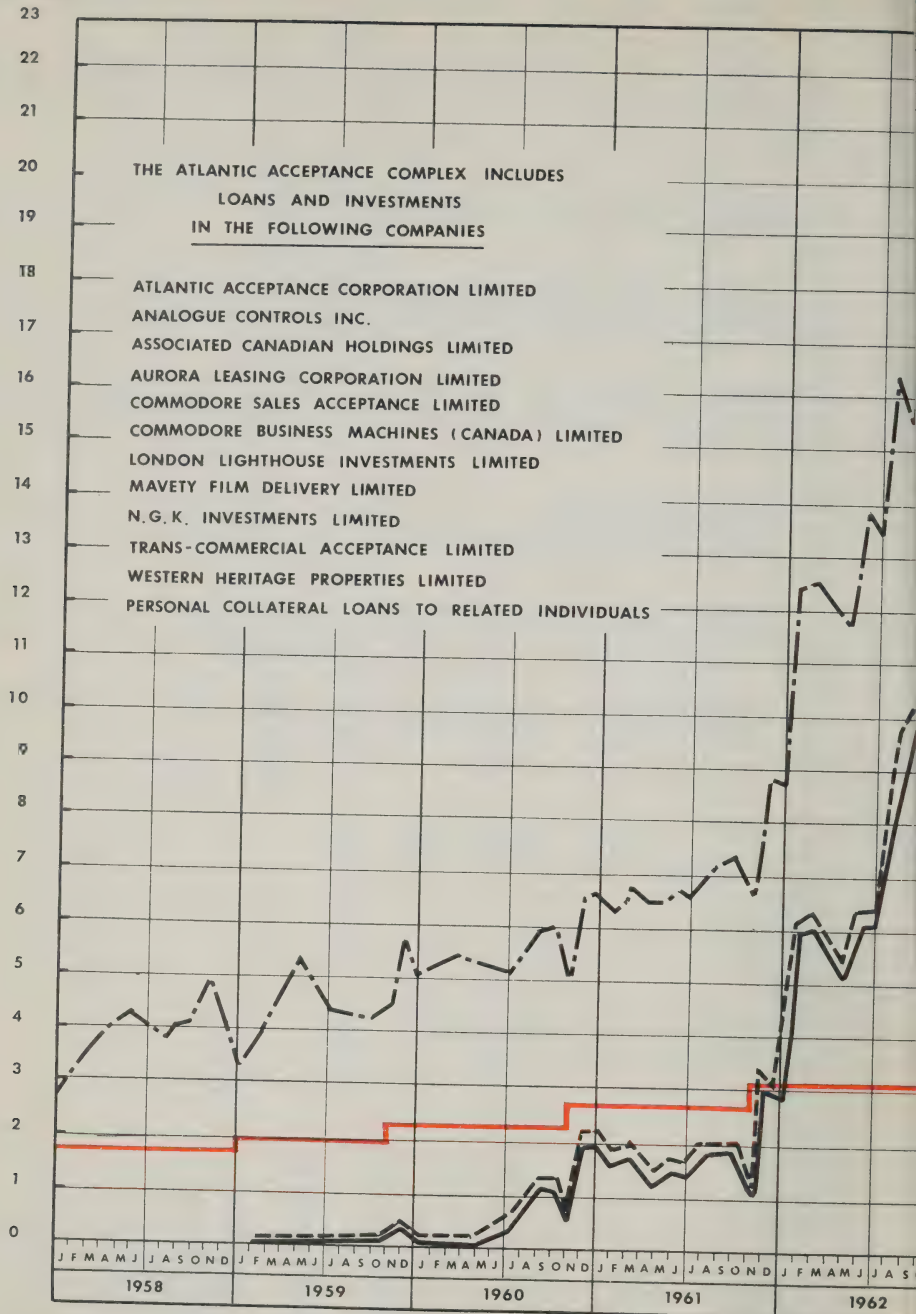
NOTES—(I) Reduction of AAC Notes each year end  
 (J) Acquisition of CBM Bond in November 1962  
 (K) Acquisition of AAC Common Stock after year end (November 1963)  
 (L) Acquisition of AAC Second Preferred Stock after 1964 year end  
 (M) Loan to C.P. Morgan in November 1964



TABLE 70

BRITISH MORTG  
ANALYSIS OF CORPORAT

FUNDS INVESTED  
(\$ MILLIONS)



\* THE PEAK TOTAL INVESTMENT OF \$28,769,000 OCCURRED AT APRIL 30, 1965.

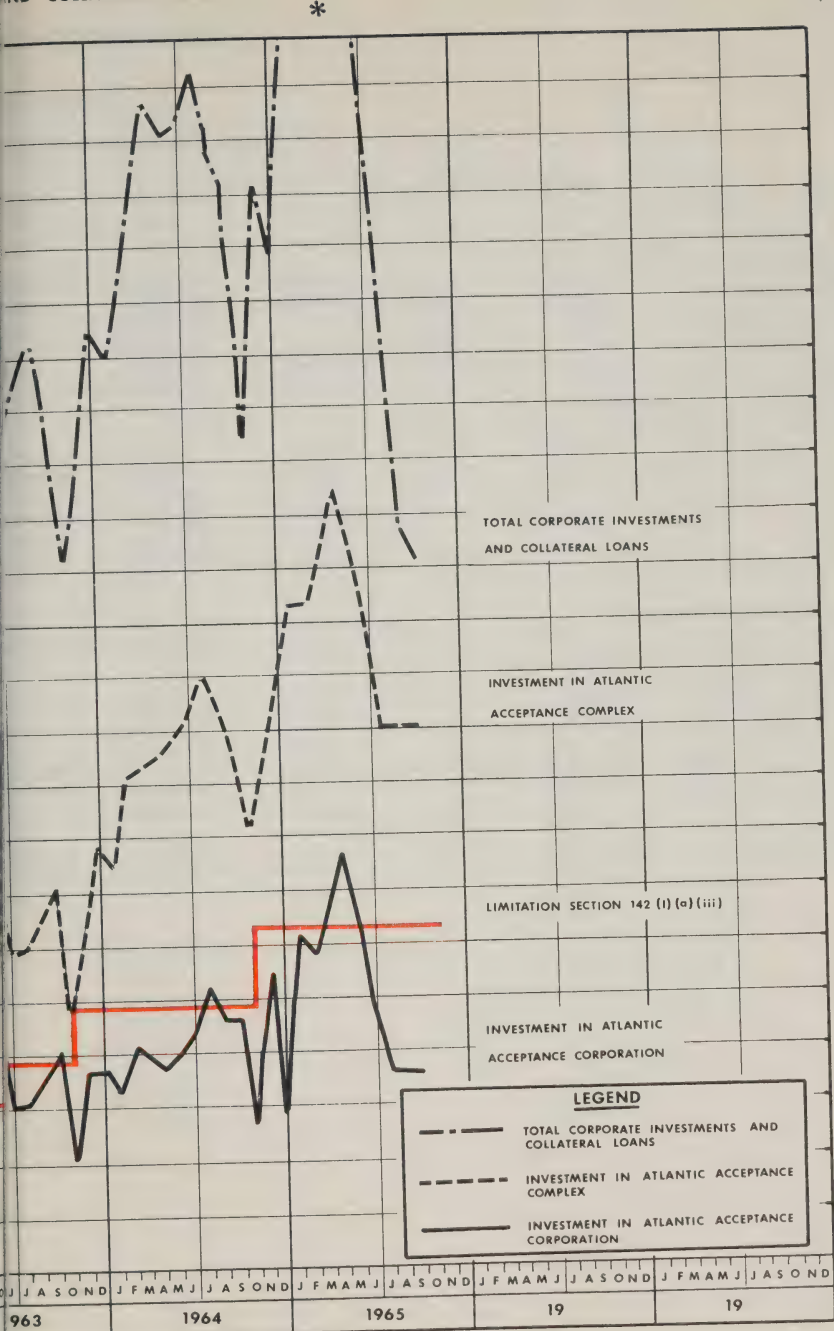
INVESTMENT A



ST COMPANY

ND COLLATERAL LOANS

FUNDS INVESTED  
(\$ MILLIONS)



MONTH END

TABLE 71

## BRITISH MORTGAGE

## Limitation

## Under the Loan and Trust

	<i>Dec. 31 1956</i>	<i>Dec. 31 1957</i>
Capital Stock and Reserve Funds		
Capital Stock .....	\$ 1,015,000	\$ 1,028,5
General Reserve .....	1,300,000	1,400,0
Profit and Loss Account .....	100,693	92,1
Mortgage Reserve .....	537,778	387,8
Company Stock Reserve .....	183,731	383,7
Bonds Reserve .....	140,000	150,0
Real Estate held for Investment Reserve .....	—	—
Real Estate held for Sale Reserve .....	—	—
Total Capital and Reserves .....	\$ 3,277,202	\$ 3,442,1
A — 15% .....	\$ 491,580	\$ 516,3
B — 20% .....	\$ 655,440	\$ 688,4
Deposits and Guaranteed Investments		
Trust Deposits .....	\$ 7,893,778	\$ 7,623,2
Short-Term Deposits .....	—	—
Short-Term Notes .....	—	—
General Guaranteed Funds .....	10,943,827	14,355,0
Interest Due and Accrued .....	113,563	161,0
Total Deposits and Guaranteed Investments .....	\$18,951,168	\$22,139,3
C — 5% .....	\$ 947,560	\$ 1,106,9
Section 142(1) (a) (iii)—B+C .....	\$ 1,603,000	\$ 1,795,4

TRUST COMPANY

Investments

Corporations Act — Sec. 142

<u>Dec. 31</u> <u>1958</u>	<u>Oct. 31</u> <u>1959</u>	<u>Oct. 31</u> <u>1960</u>	<u>Oct. 31</u> <u>1961</u>	<u>Oct. 31</u> <u>1962</u>	<u>Oct. 31</u> <u>1963</u>	<u>Dec. 31</u> <u>1964</u>
1,042,600	\$ 1,047,500	\$ 1,058,400	\$ 1,177,900	\$ 1,379,300	\$ 1,445,715	\$ 1,484,735
1,500,000	1,600,000	1,700,000	1,900,000	2,400,000	2,700,000	3,500,000
81,370	205,608	176,156	215,462	201,030	174,728	294,505
351,108	270,471	350,837	445,254	559,200	702,300	900,900
450,000	820,000	820,000	797,310	797,310	850,000	850,000
260,000	150,000	150,000	150,000	150,000	150,000	150,000
—	—	—	—	—	—	180,000
—	—	—	—	—	—	200,000
<u>3,685,078</u>	<u>\$ 4,093,579</u>	<u>\$ 4,255,393</u>	<u>\$ 4,685,926</u>	<u>\$ 5,486,840</u>	<u>\$ 6,022,743</u>	<u>\$ 7,560,140</u>
<u>552,762</u>	<u>\$ 614,037</u>	<u>\$ 638,309</u>	<u>\$ 702,889</u>	<u>\$ 823,026</u>	<u>\$ 903,411</u>	<u>\$ 1,134,021</u>
<u>737,016</u>	<u>\$ 818,716</u>	<u>\$ 851,079</u>	<u>\$ 937,185</u>	<u>\$ 1,097,368</u>	<u>\$ 1,204,548</u>	<u>\$ 1,512,028</u>
8,778,644	\$ 8,757,662	\$ 9,306,813	\$10,740,181	\$10,623,000	\$14,852,865	\$24,743,216
—	—	745,964	1,159,657	1,855,580	4,036,428	3,338,341
—	—	—	—	2,605,000	—	1,049,080
17,231,280	21,869,790	28,767,731	32,917,449	43,841,513	56,208,500	68,674,750
239,175	392,317	609,154	748,938	929,708	1,425,103	1,794,753
<u>26,249,099</u>	<u>\$31,019,769</u>	<u>\$39,429,662</u>	<u>\$45,566,225</u>	<u>\$59,854,837</u>	<u>\$76,522,896</u>	<u>\$99,600,140</u>
1,312,455	\$ 1,550,990	\$ 1,971,485	\$ 2,278,310	\$ 2,992,740	\$ 3,826,145	\$ 4,980,005
2,049,471	\$ 2,369,706	\$ 2,822,564	\$ 3,215,495	\$ 4,090,108	\$ 5,030,693	\$ 6,492,033

TABLE 72

## BRITISH MORTGAG

Estimated Losses on Corporate  
Involved in th

	Book Value of Holdings June 17/85	Proceeds Realized Dec. 31/
<b>Bonds—Corporate</b>		
Aurora Leasing Corporation Limited—7% unsecured—Convertible Notes.....	\$ 120,300	\$ —
Commodore Business Machines (Canada) Limited—Series A Debentures.....	50,000	37,5
N.G.K. Investments Limited—Notes.....	38,000	—
<b>Stocks</b>		
Atlantic Acceptance Corporation Limited—42,670 Common Shares.....	625,057	117,5
Atlantic Acceptance Corporation Limited—2,795 5½% Preferred.....	49,135	5,4
Atlantic Acceptance Corporation Limited—2nd Preferred—Series A—22,705 Shares..	549,811	45,1
Aurora Leasing Corporation Limited—22,500 Common Shares.....	70,285	—
Commodore Business Machines (Canada) Limited—47,250 Common Shares.....	202,469	70,8
Commodore Business Machines (Canada) Limited—58,750 Warrants.....	17,500	—
N.G.K. Investments Limited—2,000 Common Shares.....	—	—
Mavety Film Delivery Limited—500 Common Shares.....	80,000	37,0
<b>Short Term Notes</b>		
Atlantic Acceptance Corporation Limited—Senior Secured.....	2,400,000	—
Atlantic Acceptance Corporation Limited—Subordinate.....	1,000,000	—
Atlantic Acceptance Corporation Limited—Treasure Island Gardens Limited.....	750,000	—
Aurora Leasing Corporation Limited—Notes.....	1,860,000	—
London Lighthouse Investments Limited.....	480,000	—
<b>Collateral Loans</b>		
Notes of Officers of Annett & Co. and others.....	227,373	227,37
Note of C. P. Morgan—secured by Commodore Business Machines "B" Debentures..	200,000	172,91
Note of C. P. Morgan—secured by various Common Shares.....	200,000	40,10
Note of C. P. Morgan—secured by 18,000 Atlantic Acceptance Common Shares.....	250,000	24,17
Note of H. Wagman—secured by Commodore Business Machines "B" Debentures...	100,000	86,45
Note of M. Kapp—secured by Commodore Business Machines "B" Debentures.....	100,000	100,00
Note of J. Tramiel—secured by Commodore Business Machines "B" Debentures....	100,000	100,00
Loans to various persons—secured by Western Heritage Properties' Securities.....	348,087	231,10
Note of Associated Canadian Holdings Limited—secured by Commodore Business Machines (Canada) Limited "C" Debentures and Shares.....	192,500	187,50
Note of N.G.K. Investments Limited—secured by Commodore Business Machines (Canada) Limited "C" Debentures and Shares.....	240,000	214,00
Note of Trans-Commercial Acceptance Limited—secured by Notes and Preferred Shares of Commodore Business Machines (Canada) Limited.....	1,450,000	750,00
Note of Western Heritage Properties Limited.....	500,000	400,00
	<u>\$12,200,517</u>	<u>\$2,847,194</u>

# TRUST COMPANY

## Investments and Collateral Loans Atlantic Complex

<u>Estimated Value Balance</u>	<u>Estimated or Actual Loss</u>	<u>Comments</u>
24,000	\$ 96,300	Unsecured claim filed with Trustee in Bankruptcy, estimated proceeds will be 20% of claim.
—	12,500	Redeemed at 75% of face value.
4,000	34,000	Unsecured claim filed with Trustee in Bankruptcy for \$40,000—expected proceeds will be 10%.
—	507,545	Actual loss based on sale of all holdings.
—	43,638	Partial sale of holdings—remainder considered valueless.
—	504,632	Partial sale of holdings—remainder considered valueless.
—	70,285	Company in Bankruptcy—Shares considered valueless.
—	131,593	Actual loss on sale of Shares to Jaypen Holdings at \$1.50.
17,500	—	Internal information indicated a possibility of sale at .35 ea.
—	—	Company in Bankruptcy—Shares considered valueless.
—	43,000	Actual loss on sale of total holdings.
1,800,000	600,000	Receiver's estimated recovery is 75% for Secured Notes.
—	1,000,000	No recovery is expected for Subordinate Note holders.
—	750,000	No recovery expected.
372,000	1,488,000	Unsecured claim filed—estimated value is 20% of claim.
55,000	425,000	Settlement received on assignment of interest to a third party.
—	—	Repaid in full.
—	27,084	This excludes the possible value of claims against the estate of C. P. Morgan.
17,200	142,698	Loss expected based on valuing remaining Five Wheels Shares, at \$1 and anticipating no recovery from the estate of C. P. Morgan.
—	225,825	This excludes the possible value of claims against the estate of C. P. Morgan.
—	13,542	This excludes the value of claims against H. Wagman.
—	—	Collateral sold and remaining balance repaid.
—	—	Collateral sold and remaining balance repaid.
116,980	—	Poindexter Loan still outstanding—full recovery expected.
—	5,000	Redemption of collateral at 75% of face value.
—	26,000	Redemption of Debentures at 75% and sale of Shares \$1.50.
75,000	625,000	Redemption of Securities at approx. 35% of face value plus 50,000 Common Shares valued at \$1.50 ea.
100,000	—	New Note issued and fully guaranteed.
<u>\$2,581,680</u>	<u>\$6,771,642</u>	





**BRITISH MORTGAGE & TRUST COMPANY**  
**Summary of Losses to Estates, Trusts and Agencies Arising from Investments in**  
**British Mortgage & Trust and Atlantic Acceptance Corporation and its Affiliates**

There were 52 Estates, Trusts and Agencies involved having a total "book" value at July 15, 1965 of \$3,020,186.02.

	Market Quotation June 11, 1965	No.	Book Value	Less Book Value of Stocks removed from Agency	Market Value June 11, 1965	Proceeds <sup>‡</sup>	Loss on Book Value	Loss on Market Value
<b>Investments in Atlantic Acceptance Corporation Limited</b>								
Common Stock.....	\$20.25	4,150	\$ 82,420.49		\$ 84,037.50	\$ 4,244.10	\$ 78,176.39	\$ 79,793.40
6% 2nd Preferred Stock.....	\$25.75	7,770	193,738.10		200,077.50	330.37	193,407.73	199,747.13
Notes.....	Par	\$25,000	25,000.00		25,000.00†	—	25,000.00	25,000.00
			<u>\$301,158.59</u>		<u>\$309,115.00</u>	<u>\$ 4,574.47</u>	<u>\$296,584.12</u>	<u>\$304,540.53</u>
<b>Investments in Other Affiliated Companies</b>								
<b>Aurora Leasing Corporation Limited</b>								
—Common Stock.....	—	2,000	\$ 10,040.00		—	—	10,040.00	—
—Notes.....	—	\$ 5,000	6,650.00		—	—	6,650.00	—
<b>Analogue Controls, Inc.</b>								
—Common Stock.....	—	2,600	8,830.00		—	—	8,830.00	—
<b>Commodore Business Machines (Canada) Limited</b>								
—Common Stock.....	\$ 7.62½	1,905	9,629.37		14,525.62	3,048.00	6,581.37	11,477.62
Warrants.....	\$ 4.25	5,000	5,375.00		21,250.00	5,000.00	375.00	16,250.00
			<u>\$ 40,524.37</u>		<u>\$ 35,775.62</u>	<u>\$ 8,048.00</u>	<u>\$ 32,476.37</u>	<u>\$ 27,727.62</u>
<b>Investments in British Mortgage &amp; Trust Company</b>								
—Stock.....	\$30.00	12,611	\$210,576.26	\$42,065.00	\$324,330.00*	\$27,702.25	\$140,809.01	\$296,627.75
			<u>\$552,259.22</u>	<u>\$42,065.00</u>	<u>\$669,220.62</u>	<u>\$40,324.72</u>	<u>\$469,869.50</u>	<u>\$628,895.90</u>

\*Market value of 10,811 common shares (after removal of 1,800 shares from Agency).

†No market quotation available—taken at par.

‡Actual Proceeds or Market Value on Sept. 30, 1965 if still held at that date.

TABLE 74

**BRITISH MORTGAGE**  
**Summary of Advances of Principal Against Securities**  
**October 31, 1960 to 1961**

	October 31, 1960		October 31, 1961	
		%		%
<b>Specific Mortgages</b>				
Tip Top Tailors Ltd.....	—		—	
Calvert-Dale Estates.....	—		—	
Elmore.....	—		—	
Belfield Companies.....	\$ 445,000		\$ 1,104,250	
Towers Stores.....	—		—	
Sentry Stores.....	—		600,000	
I.G.A. Stores.....	—		—	
Treasure Island, et al, London.....	—		344,413	
London Lighthouse.....	—		—	
Indiancrest.....	250,000		220,300	
Old York Lane Properties.....	—		187,000	
Hengran Development Ltd.....	351,100		351,000	
	<u>\$ 1,046,100</u>	<u>3.26</u>	<u>\$ 2,806,963</u>	<u>7.7</u>
<b>Shopping Centres</b> .....	1,302,000	4.05	2,115,100	5.5
<b>Sub-Divisions</b> .....	440,000	1.37	991,000	2.7
<b>Bowling Alleys</b> .....	155,000	.48	961,700	2.6
<b>Leaseholds</b> .....	—	—	—	—
<b>Mortgages</b> .....	—	—	—	—
	<u>\$ 2,943,100</u>	<u>9.16</u>	<u>\$ 6,874,763</u>	<u>18.5</u>
<b>Other Mortgages Over \$50,000</b> .....	7,443,782	23.16	9,744,132	25.8
<b>Total Mortgages Over \$50,000</b> .....	<u>\$10,386,882</u>	<u>32.32</u>	<u>\$16,618,895</u>	<u>44.3</u>
<b>Mortgages Under \$50,000</b> .....	21,747,619	67.68	21,031,135	55.4
<b>Total Mortgages (inclusive of foreclosures)</b> .....	<u>\$32,134,501</u>	<u>100.00</u>	<u>\$37,650,030</u>	<u>100.0</u>
<b>Adjustment to Reconcile with Balance Sheet Amounts</b>				
<b>Add</b>				
Accrued interest.....	—		—	
Interest capitalized on properties held for resale.....	—		—	
	<u>\$32,134,501</u>		<u>\$37,650,030</u>	
<b>Less Investment Reserve</b> .....	108,444		52,690	
	<u>\$32,026,057</u>		<u>\$37,597,340</u>	
<b>As per Balance Sheets</b>				
Mortgages.....	\$32,026,057		\$37,597,340	
Property held for resale.....	—		—	
	<u>\$32,026,057</u>		<u>\$37,597,340</u>	

# TRUST COMPANY

## Mortgages, Leaseholds and Real Property, as at d July 19, 1965

October 31, 1962		October 31, 1963		October 31, 1964		July 19, 1965	
	%		%		%		%
—	—	—	—	\$ 900,000	—	\$ 964,000	—
500,000	—	\$ 500,000	—	500,000	—	870,118	—
063,794	—	2,149,211	—	2,193,015	—	1,803,323	—
418,000	—	2,931,416	—	4,781,971	—	4,922,176	—
597,000	—	2,489,000	—	2,459,000	—	2,425,000	—
—	—	—	—	1,500,000	—	3,312,679	—
337,123	—	328,550	—	319,276	—	311,841	—
555,000	—	237,000	—	1,418,760	—	2,166,262	—
—	—	—	—	—	—	480,000	—
195,600	—	—	—	—	—	—	—
248,000	—	248,000	—	246,000	—	243,000	—
327,185	—	322,100	—	322,100	—	322,100	—
—	—	—	—	—	—	—	—
241,702	15.77	\$ 9,205,277	15.64	\$14,640,122	18.96	\$17,820,499	20.35
599,800	5.67	2,988,328	5.07	4,380,561	5.67	5,336,932	6.09
280,100	2.79	1,641,527	2.61	1,464,296	1.90	1,950,199	2.22
951,800	2.07	941,104	1.60	917,500	1.19	906,162	1.03
—	—	300,000	.51	964,000	1.25	1,229,119	1.40
—	—	—	—	170,000	.22	166,000	.19
—	—	—	—	—	—	—	—
4,073,402	26.30	\$14,976,236	25.43	\$22,536,479	29.19	\$27,408,911	31.28
4,032,600	26.27	15,836,897	26.83	19,307,460	25.01	19,720,955	22.51
—	—	—	—	—	—	—	—
4,106,002	52.57	\$30,813,133	52.26	\$41,843,939	54.20	\$47,129,866	53.79
7,745,916	47.43	28,152,665	47.74	35,361,981	45.80	40,494,920	46.21
—	—	—	—	—	—	—	—
5,851,918	100.00	\$58,965,798	100.00	\$77,205,920	100.00	\$87,624,786	100.00
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	\$ 256,659	—	\$ 1,725,700	—	\$ 1,772,000	—
—	—	—	—	424,605	—	493,118	—
5,851,918	—	\$59,222,457	—	\$79,356,225	—	\$89,889,904	—
559,200	—	799,610	—	200,000	—	1,430,000	—
—	—	—	—	—	—	—	—
5,292,718	—	\$58,422,847	—	\$79,156,225	—	\$88,459,904	—
—	—	—	—	—	—	—	—
4,783,663	—	\$56,326,063	—	\$76,439,377	—	\$85,736,202	—
509,055	—	2,096,784	—	2,716,848	—	2,723,702	—
—	—	—	—	—	—	—	—
5,292,718	—	\$58,422,847	—	\$79,156,225	—	\$88,459,904	—

TABLE 74 (Continued)

## BRITISH MORTGAGE

## Details of Advances of Principal Against Security

October 31, 1960 to 1961

<u>Mortgage No.</u>	<u>Mortgagor</u>	<u>Security</u>
15801	Tip Top Tailors Ltd.	
13947	The Dale Estate Limited	
16840	Calvert-Dale Estates Limited	
<b>Elmore Mortgages</b>		
12745	Janus Apartments Limited	Fennel Ave. and East 14th St., Hamilton
12744	Lincoln Church Shopping Plaza Ltd.	Church and Grantham Sts., St. Catharines
13321	Lincoln Church Shopping Plaza Ltd.	Church and Grantham Sts., St. Catharines
13629	Lincoln Church Shopping Plaza Ltd.	Church and Grantham Sts., St. Catharines
14270	Lincoln Church Shopping Plaza Ltd.	Church and Grantham Sts., St. Catharines
13260	Hudson R. Elmore—In Trust	Lynnwood Dr. and Pauline Johnson Dr., Brantford
13598	Grand River Terrace Apts. (Bldg. #1) Ltd.	Lynnwood Dr. and Pauline Johnson Dr., Brantford
13450	Hudson R. Elmore ("Blanket Mtg.")	Mortgages over 33 lots—5 first mortgages; 28 second mortgage
13525	H. R. Elmore Investments Ltd.	"Fairview Gardens", Brantford
14258	Hudson R. Elmore	Pt. Lot 29, Queenston Rd., Hamilton
14082	Interim Building Credits Ltd.	Ottawa land and houses
14296	Interim Building Credits Ltd.	Ottawa land and houses
<b>Belfield Companies</b>		
14042	Belfield Investments Ltd.	70 Belfield Rd., Etobicoke
14417	50 Belfield Road Ltd.	50 Belfield Rd., Etobicoke
14458	60 Belfield Road Ltd.	60 Belfield Rd., Etobicoke
14593	60 Belfield Road Ltd.	60 Belfield Rd., Etobicoke
14674	Indus Investments Ltd.	Building "A" Belfield Rd.
14886	Surpass Investments Ltd.	Building "B" Belfield Rd.
15438	Trans Dallas Investments Ltd.	Belfield Road
15524	Hi-Homes Ltd.	Mulock Dr., Newmarket
15624	Parkay Investments Ltd.	Building "A" Rutherford Rd.
15819	60 Belfield Road Ltd.	60 Belfield Rd., Etobicoke
15973	Hi-Homes Ltd.	51 Belfield Rd., Etobicoke
16107	Trans Swiss Investments Ltd.	Building "B" Rutherford Road
<b>Towers Stores</b>		
13640	Winlark Investments Ltd.	Toronto
14617	Subseven Investments Ltd.	St. Catharines
14619	Nasham Investments Ltd.	Hamilton
14623	Webdear Investments Ltd.	Waterloo
<b>Sentry Stores</b>		
16344	Guard Holdings Ltd.	Kingston
16345	Graystones—Aurora Holdings Ltd.	Sarnia
17009	Sentry Department Stores Ltd.	Ottawa
17010	Reno Financial Corp. Ltd.	Toronto
<b>I.G.A. Stores</b>		
13352	Uden Ltd.	Brantford, Aylmer, Listowel, Stratford
<b>Treasure Island et al, London</b>		
14050	Wildor Holdings Ltd.	London
14445	King Shopping Plaza Ltd.	London
14930	Treasure Island Properties Ltd.	London
17134	Treasure Island Gardens Ltd.	London (Hockey Arena)
—	London Lighthouse Investments Ltd.	Oakville (Head office premises of Atlantic Acceptance Corporation Ltd)
13016	Indiancrest Ltd.	Chatham
13583	Old York Lane Properties Ltd.	115 Yorkville, Ave., Toronto
12146	Hengran Development Ltd.	Newfoundland Block, Elliot Lake

\*Properties held for resale as a result of foreclosure on mortgages in default.



# TRUST COMPANY

## Mortgages, Leaseholds, and Real Property, as at and July 19, 1965

October 31, 1960	October 31, 1961	October 31, 1962	October 31, 1963	October 31, 1964	July 19, 1965	Profit (Loss) on Sale Under Foreclosure
—	—	—	—	\$ 900,000	\$ 964,000	—
—	—	\$ 500,000	\$ 500,000	\$ 500,000	\$ 483,232	—
—	—	—	—	—	386,886	—
—	—	\$ 500,000	\$ 500,000	\$ 500,000	\$ 870,118	—
150,000	—	—	—	—	—	—
210,000	(reloaned under mortgage #13321)	—	—	—	—	—
—	(reloaned under mortgage #13629)	—	—	—	—	—
—	\$ 450,000 (reloaned under mortgage #14270)	\$ 700,000	\$ 700,000*	\$ 700,508*	\$ 700,508	—
85,000	(reloaned under mortgage #13598)	285,000	290,000*	339,299*	—	—
—	285,000	285,000	160,014	160,014	210,007	\$ 3,343
—	160,000	160,000	303,821	303,797*	342,191*	—
—	209,250	199,250	50,000	50,000	—	—
—	—	50,000	(reloaned under mortgage #14296)	639,397	550,617*	—
—	—	256,832	645,376	—	—	—
—	—	412,712	—	—	—	—
445,000	\$1,104,250	\$2,063,794	\$2,149,211	\$2,193,015	\$1,803,323	—
—	—	\$ 318,000	\$ 315,000	\$ 299,000	\$ 299,000	—
—	—	500,000	543,000	530,000	530,000	—
—	—	600,000	(reloaned under mortgage #14593)	(reloaned under mortgage #15819)	—	—
—	—	—	650,000	523,380	523,380	—
—	—	—	492,673	490,173	490,173	—
—	—	—	460,743	762,838	762,838	—
—	—	—	400,000	89,600	89,600	—
—	—	—	—	600,000	662,783*	22,202
—	—	—	—	893,000	893,000	—
—	—	—	70,000	144,000	144,000	—
—	—	—	—	450,000	506,405*	—
—	—	\$1,418,000	\$2,931,416	\$4,781,991	\$4,922,176	—
—	\$ 600,000	\$ 597,000	\$ 589,000	\$ 581,000	\$ 572,000	—
—	—	—	675,000	667,000	668,000	—
—	—	—	575,000	568,000	561,000	—
—	—	—	650,000	643,000	634,000	—
—	\$ 600,000	\$ 597,000	\$2,489,000	\$2,459,000	\$2,425,000	—
—	—	—	—	\$ 750,000	\$ 747,000	—
—	—	—	—	750,000	747,000	—
—	—	—	—	—	896,883	—
—	—	—	—	—	921,796	—
—	—	—	—	\$1,500,000	\$3,312,679	—
—	\$ 344,413	\$ 337,123	\$ 328,550	\$ 319,276	\$ 311,841	—
—	—	\$1,500,000	—	—	—	—
—	—	55,000	\$ 237,000	\$ 318,740	\$ 318,740	—
—	—	—	—	1,100,000	1,097,422	—
—	—	—	—	—	750,000	—
—	—	\$1,555,000	\$ 237,000	\$1,418,740	\$2,166,162	—
—	—	—	—	—	\$ 480,000	—
250,000	\$ 220,300	\$ 195,600	—	—	—	—
—	\$ 187,000	\$ 248,000	\$ 248,000	\$ 246,000	\$ 243,000	—
351,100	\$ 351,000	\$ 327,185*	\$ 322,100*	\$ 322,100*	\$ 322,100*	—

(Continued)

TABLE 74 (Continued)

## BRITISH MORTGAGE

Details of Advances of Principal Against Security  
October 31, 1960 to 1961

<i>Mortgage No.</i>	<i>Mortgagor</i>	<i>Security</i>
<b>Shopping Centres</b>		
12285	Allencourt Estates Ltd.	Richmond Hill
12288	Ring Road Plaza Ltd.	Lawrence Ave. E., Toronto
12362	Bernhill Plaza Ltd.	
12455	Debrex Developments Ltd.	Georgetown
12455	Tobi Investment	Toronto
12484	Mabis Construction Ltd. (Walsla Ltd.)	Scarborough
12661	Cedar Heights Shopping Centre Ltd.	Toronto
13451	Wentworth Shopping Centres Ltd.	Hamilton (2nd Mortgage)
13649	R.D.A. Builders	Milton*
13849	Goodluck Construction	Toronto
14294	Streetsville Investments Ltd.	Streetsville (2nd Mortgage)*
14388	Bellerive Anstalt	Brampton
14453	Bellerive Anstalt	Brampton
14649	Victoria Plaza (Cobourg) Ltd.	Cobourg
15776	Shop Town (Woodstock) Ltd.	Woodstock
15908	Weiner & Vine	Etobicoke
15979	Doral Holdings Ltd.	Islington
16001	Bradford Plaza Ltd.	Bradford
16399	D. Sud & Sons Ltd.	Islington
16643	Golden Mile Construction	Scarborough
16653	Normco Ltd. and Combo Construction	401 & Woodbine Ave., Toronto
16692	Hi-Way Market Ltd.	Kitchener
16740	Eden Roe Investments Ltd.	Trenton, A & P Store
<b>Sub-Divisions</b>		
12961	Wal Don Development Ltd.	Markham
12806	Mills Construction Ltd.	Lakewood Gardens, Grimsby
14276	Mills Construction Ltd.	Lakewood Gardens, Grimsby
13199	Marland Holdings Ltd.	Markham
13299	Peel Village Developments Ltd.	Brampton
13840	Kilmac Investments Ltd.	Markham
14545	Black Duke Investments Ltd.	Etobicoke
14079	Offik Development Ltd.	Markham
14180	Destor Investments Ltd.	Sudbury
15023	Destor Investments Ltd.	Sudbury
14570	J. Climenhage Developments Ltd.	Niagara Falls
14634	Wm. Oliver Construction Ltd.	Waterloo*
15835	Conarm Developments Ltd.	Goulburn
16165	Delhar Enterprises Ltd.	Woodland Park
16360	Robco Developments Ltd.	North York
16802	United Lands Corp. Ltd.	Toronto Township
16945	A.B. Investments	Orangeville
<b>Bowling Alleys</b>		
12364	Nicolaas Van Hoorn	Sarnia
13253	Thomas Feeley Construction	Newmarket
13524	Flambal Investments Ltd.	Scarborough
13683	Cruisecraft of Canada Ltd.	Hamilton (Leasehold)
13694	Dearloo Investments Ltd.	Waterloo
13818	Hamboll Investments Ltd.	London
<b>Leaseholds</b>		
14923	Desnesne Ltd.	Toronto
15257	Alden Theatres Ltd.	Don Mills
16145	J. D. & Wm. Cairns	Niagara Falls
16194	Minarco Developments Ltd.	Etobicoke
17008	Double J. Enterprises Ltd.	6 Adelaide St. E., Toronto
<b>Mortgages</b>		
16117	Adrum Investments Ltd.	Toronto

\*Properties held for resale as a result of foreclosure on mortgages in default.

# TRUST COMPANY

## Mortgages, Leaseholds, and Real Property, as at d July 19, 1965

ber 31, 960	October 31, 1961	October 31, 1962	October 31, 1963	October 31, 1964	July 19, 1965	Profit (Loss) on Sale Under Foreclosure
88,000	\$ 280,000	\$ 269,000	\$ 262,000	\$ 262,000	\$ 242,000	—
—	88,100	83,800	78,100	73,600	66,000	—
60,000	155,000	150,000	144,000	141,000	139,000	—
64,000	358,000	335,000	325,000	317,000	314,000	—
—	64,000	62,000	59,000	58,000	56,000	—
40,000	137,000	131,000	125,000	123,000	108,000	—
50,000	343,000	331,000	324,000	319,000	307,000	—
—	450,000	445,000	431,000	426,000	416,000	—
—	140,000	218,000	243,000	262,500	274,500	—
—	100,000	100,000	97,000	95,000	92,000	—
—	—	215,000	215,000	215,000	246,000	—
—	—	135,000	132,000	127,000	—	—
—	—	125,000	125,000	228,000	216,056	—
—	—	—	418,223	438,297	410,000	—
—	—	—	—	174,100	198,100	—
—	—	—	—	400,064	400,000	—
—	—	—	—	300,000	298,000	—
—	—	—	—	63,000	63,000	—
—	—	—	—	263,000	258,000	—
—	—	—	—	95,000	185,000	—
—	—	—	—	—	450,000	—
—	—	—	—	—	450,000	—
—	—	—	—	—	148,276	—
302,000	\$2,115,100	\$2,599,800	\$2,988,328	\$4,380,561	\$5,336,932	—
150,000	\$ 123,500	—	—	—	—	—
161,000	154,000	—	—	—	—	—
—	—	\$ 170,000	\$ 164,000	\$ 171,370*	\$ 180,142*	—
129,000	123,000	—	—	—	—	—
—	390,500	295,100	—	—	—	—
—	200,000	215,000	—	—	—	—
—	—	450,000	422,000	—	—	—
—	—	150,000	75,500	—	—	—
—	—	—	137,557	137,557	138,557	—
—	—	—	115,000	104,869	—	—
—	—	—	194,500	116,500	—	—
—	—	—	62,000	—	186,500	—
—	—	—	369,000	454,000	428,000	—
—	—	—	—	80,000	149,000	—
—	—	—	—	400,000	400,000	—
—	—	—	—	—	350,000	—
—	—	—	—	—	120,000	—
440,000	\$ 991,000	\$1,280,100	\$1,541,527	\$1,464,296	\$1,950,199	—
95,000	\$ 91,000	\$ 87,000	\$ 84,000	\$ 81,000	\$ 81,662	—
60,000	86,000	84,000	89,804	84,000	82,000	—
—	249,700	246,800	239,300	233,500	230,500	—
—	225,000	224,000	221,000	218,000	215,000	—
—	150,000	150,000	148,000	146,000	144,000	—
—	160,000	160,000	159,000	155,000	153,000	—
155,000	\$ 961,700	\$ 951,800	\$ 941,104	\$ 917,500	\$ 906,162	—
—	—	—	\$ 50,000	\$ 57,000	\$ 54,000	—
—	—	—	250,000	247,000	241,000	—
—	—	—	—	450,000	550,000	—
—	—	—	—	210,000	235,000	—
—	—	—	—	—	149,119	—
—	—	—	\$ 300,000	\$ 964,000	\$1,229,119	—
—	—	—	—	\$ 170,000	\$ 166,000	—

# **BELFIELD INVESTMENTS LIMITED AND AFFILIATED COMPANIES**

## **Schedule Showing Relationship at February 7, 1964 of Loans by Aurora Leasing Corporation Limited and Charges Superior in Rank to Those Loans to Valuation of Relative Properties by L. W. Facey**

	(1) Valuation by L. W. Facey (per application for loan by British Mortgage and Trust Company)	(2) British Mortgage and Trust Company	(3) Indian Line Investment Limited	(4) Aurora Leasing Corporation Limited	(5) Total (2), (3) & (4)	Percentage column (5) to column (1)
50 Belfield Road Limited.....	\$ 950,000	\$ 543,000	—	\$ 75,000	\$ 618,000	65.1%
60 Belfield Road Limited.....	1,500,000	900,000	—	300,000	1,200,000	80.0%
Indus Investments Limited.....	882,000	492,673	\$ 98,000*	85,000	675,673	76.7%
Surpass Investments Limited.....	836,000	460,743	92,000*	140,000	692,743	82.8%
Trans-Dallas Investments Limited.....	1,272,000	600,000	—	250,000	850,000	66.8%
	<u>\$5,440,000</u>	<u>\$2,996,416</u>	<u>\$190,000</u>	<u>\$850,000</u>	<u>\$4,036,416</u>	<u>74.3%</u>

\*The blanket second mortgage of Indian Line Investments Limited has been allocated in the ratio of first mortgages on the properties concerned.

ATLANTIC ACCEPTANCE CORPORATION LIMITED  
Schedule showing the effect of Commodore Sales Acceptance Ltd.  
(with its subsidiary, Commodore Factors Ltd.) and Adelaide Acceptance Ltd.  
on the earnings and financial position of the Atlantic Complex

	1961	1962	1963	1964	June 17 1965
<b>Condensed Consolidated Balance Sheet:</b>					
Cash.....	\$ 506,251	\$ 418,692	\$ 825,485	\$ 910,392	\$ 1,320,866
Receivables—net.....	18,936,989	60,813,509	88,227,839	128,706,839	149,188,879
Other assets.....	266,725	1,710,889	2,510,951	3,320,698	4,300,188
Total Assets.....	\$19,708,965	\$63,272,986	\$91,570,275	\$132,937,729	\$154,809,926
<b>Liabilities and Shareholders' Equity:</b>					
Payables.....	\$ 1,118,199	\$ 1,384,776	\$ 1,702,863	\$ 3,372,212	\$ 4,153,439
Borrowed capital.....	14,770,505	49,899,200	74,927,229	106,728,518	133,023,839
Unearned interest.....	1,837,229	2,489,658	3,902,113	6,430,836	7,535,829
Shareholders' equity.....	1,983,032	4,222,321	9,614,604	13,806,163	10,096,819
Total.....	\$19,708,965	\$63,272,986	\$91,570,275	\$132,937,729	\$154,809,926
<b>Earnings and Capital Raised:</b>					
Earnings—Commodore Sales and Adelaide (adjusted for income transfers).....	\$ 31,723	\$ 364,036	\$ 533,443	\$ 431,263	\$ 431,263
Earnings—Others.....	238,701	244,084	280,960	668,741	668,741
Consolidated earnings—as reported.....	270,424	608,120	814,403	1,100,004	( \$ 2,813,660)
Less: Dividends paid.....	40,791	291,671	356,263	727,741	471,356
Borrowings during the period—net.....	229,633	316,449	258,140	372,263	(3,285,016)
Proceeds of share issues.....	6,670,058	21,690,350	25,028,029	31,801,289	26,295,321
Apparent inflow of new funds.....	452,126	2,096,850	1,576,125	5,969,296	—
Advances to Commodore and Adelaide during the year.....	\$ 7,351,817	\$15,164,810	\$26,892,294	\$38,142,848	\$23,010,305
Balance Sheet Excluding Commodore and Adelaide	\$ 1,211,000	\$ 9,968,632	\$ 9,367,162	\$14,697,786	\$ 7,536,522
Cash.....	\$ 449,802	\$ 65,573	\$ 263,148	—	\$ 1,244,069
Receivables—net.....	16,875,439	41,866,165	60,464,977	\$87,138,028	97,774,996
Other assets.....	251,431	1,428,574	1,782,849	3,062,644	4,035,628
Total assets.....	\$17,576,672	\$43,684,487	\$62,955,900	\$90,200,672	\$103,054,693
<b>Payables and Equity:</b>					
Payables.....	\$ 835,078	\$ 985,829	\$ 1,746,463	\$ 4,421,211	\$ 4,003,947
Borrowed capital.....	12,962,891	32,011,323	48,749,691	66,475,655	84,005,309
Unearned interest.....	1,894,769	2,090,708	3,849,577	5,833,740	6,865,310
Equity (adjusted for income transfers from Commodore and Adelaide).....	1,963,944	4,028,394	7,168,023	14,470,066	8,360,127
Total.....	\$17,576,672	\$43,684,587	\$62,955,900	\$90,200,672	\$103,054,693



TABLE 76 (Continued)

Schedules 2 and 3

**Schedule 2**

**COMMODORE SALES ACCEPTANCE LIMITED CONSOLIDATED  
AND ADELAIDE ACCEPTANCE LIMITED**

**Earnings Adjustments**

	1960	1961	1962	1963	1964
<b>Earnings as per the financial statements:</b>					
Commodore Sales Acceptance Limited—consolidated.....	23,578	\$ 88,620	\$109,096	\$142,172	\$191,121
Adelaide Acceptance Limited.....	—	—	173,192	34,006	11,361
<b>Total.....</b>	<b>23,578</b>	<b>88,620</b>	<b>282,288</b>	<b>176,178</b>	<b>202,482</b>
Add back—Management fees paid.....	12,000	112,000	72,442	250,000	100,000
Intercompany interest profits paid to Atlantic Acceptance.....	7,973	48,448	90,432	251,328	358,353
Less: Income tax adjustments.....	(11,828)	(81,737)	(81,226)	(144,063)	(229,372)
<b>Restated earnings after eliminating arbitrary income transfers.....</b>	<b>\$21,723</b>	<b>\$167,331</b>	<b>\$364,036</b>	<b>\$533,443</b>	<b>\$431,263</b>

**Schedule 3**

**PREMIER FINANCE CORPORATION LIMITED**

**Earnings Adjustments**

	1960	1961	1962	1963	1964
<b>Earnings as per the financial statements:</b>					
Add back—Management fees paid.....	\$94,520	\$101,293	\$187,620	\$66,629	(\$67,339)
Intercompany interest profits paid to Atlantic Acceptance.....	50,000	—	215,000	100,000	—
	4,947	30,582	46,794	76,398	54,108
<b>Less—Income tax adjustment.....</b>	<b>\$149,467</b>	<b>\$131,875</b>	<b>\$449,414</b>	<b>\$243,027</b>	<b>(\$13,231)</b>
<b>Restated earnings after eliminating arbitrary income transfers.....</b>	<b>23,604</b>	<b>11,732</b>	<b>120,336</b>	<b>(72,181)</b>	<b>28,744</b>
Percentage of Total Earnings Reported.....	<b>\$125,863</b>	<b>\$120,143</b>	<b>\$329,078</b>	<b>\$315,208</b>	<b>(\$41,975)</b>
	46.5%	33.7%	54.1%	38.7%	—
Consolidated Earnings as Reported.....	\$270,424	\$356,352	\$608,120	\$814,403	\$1,100,004
Less: Restated Earnings of Commodore Sales, Commodore Factors & Adelaide.....	31,723	167,331	364,036	533,443	431,263
<b>Less: Restated Earnings of Premier Finance.....</b>	<b>\$238,701</b>	<b>\$189,021</b>	<b>\$244,084</b>	<b>\$280,960</b>	<b>\$668,741</b>
<b>Restated Consolidated Earnings or (Loss) excluding the above subsidiaries.....</b>	<b>125,863</b>	<b>120,143</b>	<b>\$329,078</b>	<b>315,208</b>	<b>(41,975)</b>
	<b>\$112,838</b>	<b>\$ 68,878</b>	<b>(84,994)</b>	<b>(34,248)</b>	<b>\$710,716</b>

ATLANTIC ACCEPTANCE CORPORATION LIMITED  
Percentage of Earnings Returned in Relation to Percentage of Assets Used  
by Commodore Sales Limited and Adelaide Acceptance Limited

	1960	1961	1962	1963	1964
Assets used:					
Total assets of Atlantic Acceptance (less unearned interest).....	\$17,100,000	\$33,816,000	\$59,371,000	\$86,245,000	\$126,007,000
Investment in and advances to Commodore Sales and Adelaide Acceptance.....	1,229,000	6,842,000	16,810,000	26,178,000	40,875,000
Percentage of Assets used by Commodore Sales and Adelaide Acceptance.....	17.3%	20.2%	28.3%	30.4%	32.4%
Earnings as reported:					
Total consolidated earnings of Atlantic Acceptance.....	\$270,424	\$356,352	\$608,120	\$814,403	\$1,100,004
Earnings reported by Commodore Sales and Adelaide Acceptance.....	23,578	88,620	282,278	176,178	202,482
Percentage of total earnings reported.....	8.7%	24.9%	46.4%	21.6%	18.4%
Earnings after adjustment for arbitrary income transfers:					
Total consolidated earnings of Atlantic Acceptance.....	\$270,424	\$356,352	\$608,120	\$814,403	\$1,100,004
Restated earnings of Commodore Sales and Adelaide Acceptance.....	31,723	167,331	364,036	533,443	431,263
Percentage of total earnings returned.....	11.7%	47.0%	59.9%	65.5%	39.2%

TABLE 77

**ATLANTIC FINANCE CORPORATION LIMITED**  
**Effect on Unearned Interest and Profits of Taking-up Different Proportions**  
**of Pre-computed Interest in the Month of Acquisition**

	<i>ATLANTIC</i>		<i>OTHER</i>	
Apportionment of Pre-computed Interest:				
Acquisition Cost .....	40%	25%	18%	7%
Deferred over Life of Contract .....	60%	75%	82%	93%
				100%
<b>1963—December 31</b>				
Interest Included				
Receivables .....	<u>\$ 5,893,300</u>			
Interest Deferral under each method .....	\$ 558,001	\$ 697,500	\$ 762,600	\$ 864,900
				<u>\$ 930,000</u>
<b>1964—December 31</b>				
Interest Included				
Receivables .....	<u>\$13,144,639</u>			
Interest Deferral under each method .....	\$1,634,406	\$2,043,008	\$2,233,688	\$2,533,329
	<u>\$1,076,405</u>	<u>\$1,345,508</u>	<u>\$1,471,088</u>	<u>\$1,668,429</u>
Net Deferral of Income during the 1964 year .....				
Amount by which Net Deferral exceeds Atlantic Deferral (i.e., amount by which Atlantic profit before taxes would have been reduced under each method) .....	\$ 269,103	\$ 394,683	\$ 448,504	\$ 592,024
				<u><u>\$ 717,605</u></u>

ATLANTIC ACCEPTANCE CORPORATION LIMITED  
Effect on Unearned Interest and Profits of Taking-up Different Proportions  
of Pre-computed Interest in the Month of Acquisition

	ATLANTIC	OTHER			
Apportionment of Pre-computed Interest:					
Acquisition Cost .....	32%	25%	18%	15%	7%
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Deferred over Life of Contract .....	68%	75%	82%	85%	93%
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
					Nil
					<u>        </u>
					100%
1963—December 31					
Interest Included					
Receivables .....	<u>\$30,510,189</u>				
Interest Deferral under each method .....					
	\$2,667,334	\$2,041,913	\$3,216,271	\$3,334,168	\$3,647,846
					<u>\$3,022,550</u>
1964—December 31					
Interest Included					
Receivables .....	<u>\$44,007,197</u>				
Interest Deferral under each method .....					
	\$3,870,021	\$4,268,405	\$4,666,471	\$4,837,526	\$5,292,641
	<u>\$1,202,687</u>	<u>\$1,326,492</u>	<u>\$1,450,200</u>	<u>\$1,503,358</u>	<u>\$1,644,795</u>
Net Deferral of Income during the 1964 year .....					
	\$ 123,805	\$ 247,513	\$ 300,671	\$ 442,108	\$ 565,970
	<u>                </u>	<u>                </u>	<u>                </u>	<u>                </u>	<u>                </u>
Amount by which Net Deferral exceeds Atlantic Deferral (i.e., amount by which Atlantic profit before taxes would have been reduced under each method) .....					

## DALLAS HOLDINGS LIMITED

Analysis of Assets at 31st December 1961, 1962, 1963, 1964 and  
30th July, 1965

	31st Dec. 1961	31st Dec. 1962	31st Dec. 1963	31st Dec. 1964	30th July 1965
<b>Advances and Notes Receivable (Including Interest accrued thereon)</b>					
Associated Canadian Holdings Limited.....	—	—	\$110,622	\$129,887	\$119,681
John Frame and Glenspey Farms Ltd.....	—	\$ 41,319	82,962	82,703	82,305
Fun-A-Martin Limited.....	—	—	5,000	—	—
Mrs. V. Opekar.....	—	—	—	—	1,250
Ram Petroleum Limited.....	—	—	—	—	32,000
Annapaque Mines Ltd. (Adelaide Mining Ltd.).....	—	—	—	—	6,000
Dominion Leaseholds Ltd.....	—	—	—	—	350
	—	\$ 41,319	\$198,584	\$212,570	\$241,566
<b>Securities (Including Interest receivable thereon)</b> .....	\$ 4,638	708,068	507,519	564,614	512,384
<b>Other Assets</b>					
Cash.....	—	129	2,456	13,076	558
Amount due from Brokers.....	14,280	—	—	—	—
Mining Claims.....	—	—	—	18,700	18,700
Incorporation Expenses.....	428	428	428	428	428
	\$19,346	\$749,944	\$708,987	\$809,389	\$773,636



## TABLE 79 (Continued)

## DALLAS HOLDINGS LIMITED

### Analysis of Liabilities at 31st December 1961, 1962, 1963, 1964 and 30th July, 1965

	31st Dec. 1961	31st Dec. 1962	31st Dec. 1963	31st Dec. 1964	30th July 1965
		% of Total	% of Total	% of Total	% of Total
<b>Advances (including interest accrued thereon)—</b>					
Aurora Leasing Corporation Limited.....	—	\$216,441	29.5	\$416,631	49.5
					\$ 678,850
Other affiliated Companies—					
Canada Motor Products (Toronto) Limited.....		\$192,500	26.3	\$ 47,965	5.0
Valley Farm and Enterprises Limited.....		183,500	25.0	185,542	19.2
					\$ 187,050
	—	\$376,000	51.3	\$233,507	24.2
					\$ 187,050
	—				
<b>Sub-totals.....</b>	<b>—</b>	<b>\$592,441</b>	<b>80.8</b>	<b>\$725,742</b>	<b>75.2</b>
					\$ 865,900
<b>Other</b>					
Conarm Developments Limited.....				\$ 58,715	6.1
Daylight of Grand Bahama Limited.....				45,500	4.7
A. S. Manus.....				67,723	7.0
C. P. Morgan.....	\$ 425	\$ 425	—	4,125	0.4
W. L. Walton, H. Wagnau and C. P. Morgan ("Trio").....		6,600	.9		
Bank.....		40,000	5.4	25,600	2.7
					600
	\$ 425	\$ 47,025	6.3	\$201,663	20.9
					\$ 81,355
<b>Amounts due to Brokers.....</b>	<b>900</b>	<b>95,151</b>	<b>12.9</b>	<b>38,016</b>	<b>3.9</b>
					93,617
<b>Provision for Income Taxes.....</b>	<b>1,700</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
	\$3,025	\$142,176	19.2	\$239,679	24.8
					\$ 174,972
<b>Totals.....</b>	<b>\$3,025</b>	<b>\$734,617</b>	<b>100.0</b>	<b>\$1,040,421</b>	<b>100.0</b>
					\$1,040,872
					\$ 865,900

## DALLAS HOLDINGS LIMITED

## Analysis of Securities Held at Each Balance Date—31st December 1961, 1962, 1963, 1964 and 30th July 1965

and

## Analysis of Profits (Losses) on Sales of Securities and/or on the Variation of the Revaluation of Securities on Hand at Each Fiscal Year End from the Cost of Such Securities or the Valuation Thereof at the Preceding Fiscal Year End

Securities Held At	December 31, 1961			December 31, 1962			December 31, 1963			December 31, 1964			July 30, 1965		
	No.	\$		No.	\$		No.	\$		No.	\$		No.	\$	
Arcan Corporation Limited.....	—	—		4,100	2,065		4,100	1,025		4,100	1,025		—	—	
Atlantic Acceptance Corporation Limited.....	—	—		500	10,000		500	8,375		1,525	27,745		—	—	
Atlantic Coast Copper Corporation Ltd.....	—	—		10,000	10,600		8,000	9,280		—	—		—	—	
Central Del Rio Oils Limited.....	500	3,625		—	—		—	—		—	—		—	—	
Commodore Business Machines (Canada) Limited— Common Shares.....	—	—		65,700	264,370		20,000	80,000		20,000	80,000		9,000	28,926	
Share Warrants.....	—	—		—	—		13,000	17,542		13,000	17,700		—	—	
7% Debentures (including accrued interest)	—	—		200,000	192,334		75,500	78,703		68,500	71,660		68,500	71,521	
Calvert-Dale Estates Limited (formerly The Dale Estate Limited).....	(1,500)	(4,800)		77,900	214,205		7,625	13,344		7,625	13,344		1,000	1,750	
Dominion Leascholds Limited.....	—	—		5,000	2,050		25,000	46,250		287,500	53,440		682,000	134,301	
General Spray Service, Inc.....	3,100	5,813		4,000	7,444		4,000	500		4,000	500		4,000	500	
Lucayan Beach Hotel Company Limited.....	—	—		—	—		10,000	10,000		27,000	55,500		27,000	55,500	
Molly Corporation.....	—	—		—	—		10,000	157,500		10,000	157,500		10,000	127,438	
N.G.K. Investments Limited.....	—	—		—	—		—	—		100	1,200		100	1,200	
Ram Petroleum Limited.....	—	—		5,000	5,000		100,000	85,000		100,000	85,000		162,500	91,250	
Western Heritage Properties Limited.....	—	—		—	—		—	—		—	—		—	—	
		4,638			708,068			507,519			564,614			512,384	

Profits (Losses) on Sales of Securities and/or on the variation of the revaluation of securities on hand at each fiscal year end from the cost of such securities or the valuation thereof at the preceding fiscal year end

	Years Ended December 31			7 Months Ended July 30, 1965		
	1961	1962	1963	1964	1965	Aggregate Profits (Losses) On Security Trading 1961 to 1965
*Analogic Controls, Inc.....	—	—	—	\$17,874	—	\$17,874
Arcan Corporation Limited.....	\$1,772	—	—	—	—	96
Atlantic Acceptance Corporation Limited.....	—	—	—	—	—	(67,383)
Atlantic Coast Copper Corporation Ltd.....	—	—	—	431	—	439
*Aurora Leasing Corporation Ltd.—7% Debentures.....	—	—	—	2,406	—	2,406
Central Del Rio Oils Limited.....	200	(80)	—	—	—	120
Commodore Business Machines (Canada) Limited—Common Shares.....	—	9,243	(44,449)	—	—	(52,634)
Share Warrants.....	—	—	6,220	—	—	8,861
7% Debentures.....	—	—	40,396	—	—	2,641
Calvert-Dale Estates Limited (formerly The Dale Estate Limited).....	14,602	(1,739)	7,217	535	—	40,931
Dominion Leascholds Limited.....	—	(422)	16,225	460	—	8,921
General Spray Service, Inc.....	(802)	16	(6,944)	—	—	15,926
#Jespard and Co.....	—	—	(100,000)	—	—	(7,730)
Lucayan Beach Hotel Company Limited.....	—	—	—	—	—	(100,000)
Molly Corporation.....	—	—	—	—	—	—
N.G.K. Investments Limited.....	—	—	—	—	—	—
Phantom Investments Limited.....	—	—	—	—	—	—
Ram Petroleum Limited.....	8	—	—	—	—	8
Western Heritage Properties Limited.....	—	—	5,192	—	—	—
	\$15,780	\$4,224	(\$92,215)	\$21,712	—	(\$126,974)

\*Securities purchased and sold during same year.

DALLAS HOLDINGS LIMITED

Operating Results for Years Ended 31st December 1961 to 1964 and 7 Months  
Ended 30th July 1965 and Surplus (Deficit) at Each Balance Sheet Date

1. Operating Results for	Years Ended				7 Months Ended
	31 Dec. 1961	31 Dec. 1962	31 Dec. 1963	31 Dec. 1964	30 July 1965
Profits (Losses) on Trading in Securities.....	\$15,780	\$ 4,224	(\$ 92,215)	\$ 21,712	(\$ 76,474)
Interest Income.....	—	2,540	10,762	28,571	13,645
Dividends Received.....	—	325	400	600	—
	\$15,780	\$ 7,089	(\$ 81,063)	\$ 50,883	(\$ 62,829)
Deduct (Add)					
Interest Expense.....		\$ 0,678	\$ 65,714	\$ 68,061	\$ 47,632
Bad Debt written off.....		—	—	5,000	—
Legal and Accountancy fees.....		1,500	860	—	900
Bank Charges, Office and General Expenses.....	\$ 117	763	280	553	67
Income Taxes paid (refunded).....	1,698	44	(200)	—	(224)
Total Expenses.....	\$ 1,815	\$ 8,985	\$ 66,663	\$ 73,614	\$ 48,375
Net Profit (Loss).....	\$13,965	(\$ 1,896)	(\$147,726)	(\$ 22,731)	(\$111,204)
2. Surplus (Deficit) at End of Period.....	\$16,317	\$14,421	(\$133,305)	(\$156,036)	(\$267,240)

## DALLAS HOLDINGS LIMITED

## Estimate of Losses

	Estimated Realizations			Losses	Comments
	Balance Sheet Value July 30, 1965	Actual (Received)	Estimated to be Recovered	Total	
Commodore Business Machines (Canada) Limited					
Common Shares.....	14,600	—	—	—	\$ 99,768
7% Debentures.....	\$ 40,000	—	—	—	—
General Spray Service, Inc.					These Securities were held by Barrett, Goodfellow & Co. at July 30, 1965 and would have been applied against that Broker's Account.
Common Shares.....	4,000	—	—	—	500
Dominion Leaseholds Limited					—
Common Shares.....	432,000	—	—	—	85,071
Common Shares.....	250,000	—	—	—	30,380
Advances.....	—	\$18,850	—	\$18,850	— Sold by Trustee for approximately \$.97 per Share.
Calvert-Dale Estates Limited (formerly The Dale Estate Limited)					350 — Recovery considered doubtful.
Common Shares.....	1,000	—	—	—	1,750 — Transferred through the 'Trio' to Associated Canadian Holdings Limited in July 1963; transfer Registered September 1964. No consideration rec'd.
Lucayan Beach Hotel Company Limited					—
Common Shares.....	27,000	—	\$16,200	16,200	39,300
Molly Corporation					—
Common Shares.....	10,000	—	2,500	2,500	124,936 — Cost \$157,500. Company in process of dissolution, terms of repayment \$3.00 (U.S.) per Share plus 10,000 Shares in Adobe Brick and Supply Company. The cash repayment received prior to July 30, 1965.
N.G.K. Investments Limited					1,200 — Considered worthless.
Common Shares.....	100	1,200	—	—	—
Ram Petroleum Limited					—
Common Shares.....	162,500	20	—	—	123,210 — Settlement by Leveraged Equities Limited in December 1955 for all amounts invested (by Shares, Advances and Options to take up Shares) in Ram Petroleum Limited and Opetar Investments Limited by Dallas Holdings Limited and members of the Atlantic Acceptance Corporation Limited complex.
Options.....	—	10	—	—	—
Advances.....	—	10	—	—	—
Adeleide Mining Limited (formerly Annamaque Mines Limited)					—
Cost of claims acquired by Dallas Holdings Limited from White Star Copper Mines Ltd.	15,000	—	—	—	21,000 — This reorganization was never completed, except for the change of name. No recovery is expected.
Advances for reorganization.....	6,000	—	—	—	3,700 — Claims lapsed.
Mining Claims—Newfoundland.	3,700	—	—	—	1,250 — Recovery considered doubtful.
Mrs. V. Opetar—advances.....	1,250	—	—	—	—
Associated Canadian Holdings Limited					—
Advances.....	113,122	—	—	—	119,661 — Bankrupt—expected recovery very small.
Interest unpaid.....	6,539	—	—	—	—
John T. Frame (Deceased) and Gleanspey Farms Limited	77,817	—	—	—	—
Advances.....	4,488	—	—	—	—
Interest unpaid.....	—	—	—	—	—
Commodore Business Machines (Canada) Limited					—
7% Debentures—Interest Receivable.....	82,305	38,138	1,000	39,488	42,817 — Recovered \$38,488.50 from Gleanspey Farms Limited (Mortgage for \$40,000) estimated recovery from balance—\$1,000.
Cash at Bank.....	679	—	—	—	679 — Debentures 'exchanged' for Common Shares sold short in June 1965 Interest not received.
Incorporation Expenses.....	558	558	—	558	—
	428	—	—	—	428 — Valueless.
	\$773,636	\$57,936	\$19,700	\$77,636	\$696,000
ADJUSTED DEFICIT					
Deficiency of Shareholders' Funds July 30, 1965					
Revenue Deficit.....					\$267,240
Deduct issued Capital.....			3		696,000
Estimated loss on realization of Assets (as above).....					—
Deduct Liability to Barrett, Goodfellow & Co. offset by the Securities held by that firm at July 30, 1965.....					\$963,237
					93,617

# APPENDIX A

## List of Witnesses





## APPENDIX A

### WITNESSES IN ORDER OF ATTENDANCE

BLACK, Eric Johnston  
MONTEITH, Andrew Brock  
WATSON, Allan Graham  
BARKER, John Ross  
BAILEY, John  
SINGER, Irwin  
DAVIDSON, David  
MIDWINTER, John Clifford  
ROTH, William Wolfe  
CRATE, Alexander Vaughan  
KING, Maxwell Stanley  
VOELKER, Albert Roy  
GOODCHILD, Mary Jean  
PURVIS, Helen Joan  
MARTIN, Edmund George  
MALCOLM, Jack Cardwell  
GILLMAN, Gerald Richard  
LAIDLAW, John Claris  
SHEMILT, John Raymond  
PAHN, Walter Edward  
WELTZ, Walter Christian  
BONNIE, Roy Leslie  
MORGAN, Campbell Powell  
WILSON, William George  
DRAPER, Frederick Stewart  
ALLINGHAM, Charles Michael  
CHALLENGER, Norman Reginald  
CHAPMAN, Thomas Albert  
CARTER, Ralph  
ORR, John Alexander  
ABELL, John Norman  
McFADDEN, Barrie Lester  
WOODS, Albert Elmer  
CHUSID, Solomon Sidney  
SOLOMON, Carl Morton  
SAMUEL, David Murray  
CANNING, John  
DUNLOP, Derek Carlaw  
HAXTON, James Gordon  
COOPER, Harvey Kenneth  
EADES, Leonard Murray  
McGEACHY, Thomas  
AUSTIN, Charles Tait  
GALE, Harry Wilson  
INGO, Kenneth Leslie  
DAVY, Weldon Joseph  
BLACKLOCK, William George  
BUTLIN, William Edward  
WOOLFREY, Albert George  
SHERMAN, Theodore  
McLOUGHLIN, Brian William  
ELFORD, Edwin Noel  
PARKES, Orville Winston  
REID, Donald Walter  
KING, David Gordon  
KOZIEL, John Albert  
SPANTON, Herbert John  
PIKE, William Arthur  
KING, William Arthur Phillips  
DAWSON, Charles Hayden  
STEWART, Ross Frederick  
POIRIER, Omer  
IRVINE, Arthur William

McCAUGHEY, Patrick Dermot  
EASTON, William Beverley  
GRIMSHAW, (Mrs.) Mary Rita  
ROBERTS, Roland Bruce  
ALLES, Kenneth Arthur  
BURTON, Bernard  
DELLA SCALA, Mastino  
MALLETT, Frederick Stuart  
CUZNER, Roy Henderson  
GOLDBERG, Marvin Arnold  
SCOTT, Ronald Walter  
SOMMERVILLE, Donald Barton  
STEVENS, Thomas  
ROTMAN, Marvin  
WILLIAMS, Robert Templeton  
ASTBURY, Roy Bartlett  
McEVENUE, William St. Clair  
BELLI, John  
McCLELLAND, Thomas Davidson  
WOLFMAN, Bertrand  
MORTON, Helen  
JEFFREYS, Edward Albert  
KNOWLES, William  
ARMSTRONG, Robert Ludlam  
GIARRUSSO, Giovanni  
COX, Norman William Harold  
O'DOWD, Douglas Edwin  
RODKIN, John Alexander  
AVERY, William Francis  
BARTLETT, Graham Frederick  
BENTLEY, Lyl Noel  
POMERANTZ, Irving  
GROSHIP, Gerald  
ROSS, John Nicholas  
BALLARD, William John  
KING, Carman George  
CHAPMAN, Donald Sommerville  
HOGG, Norman George  
SELKIRK, Norman Douglas  
LAVENDER, Richard Evan  
LAST, Eugene  
GOODFELLOW, Rennie Arthur  
ADOLPH, Peter Joseph  
LEVINSON, Neville  
SPENCER, Louis William  
BURNETT, David John  
BARRETT, Gilbert Raymond  
SILVER, Joseph  
BIDDELL, John Leonard  
BURN, John Macdonald  
MACKLAIER, Douglas Byrd  
GLICK, Solomon Aaron  
SEAGRAM, Norman Oliver  
HOUSER, Cyril  
FRANCIS, Robert Albert  
McCARTHY, Charles Joseph  
KEMP, Ernest Nelson  
ARMSTRONG, Robert Augustus  
OWEN, Donald Phillip  
THOMSON, Richard Servos  
NUSPL, Louis Martin  
GRINGORTEN, Israel Moses  
BENTLEY, Ernest Oscar

## APPENDIX A (Continued)

LANGMAN, David Ernest  
 CHESLER, Louis Arthur  
 CLENNENT, Maurice  
 MORETON, Alan Winsford  
 VOGT, Hans Heinrich  
 LORD, Robert Edward  
 JAMES, Anthony Ross  
 WALKER, Hugh Barrett  
 DUNCAN, James George  
 LEE, John Edward  
 WALTON, William Louis  
 WAGMAN, Harry  
 LANDO, Albert Morris  
 FRUITMAN, Alvin Martin  
 TRAMIEL, Jack  
 KAPP, Manfred  
 WALLACE, William Hector  
 ROONEY, Anthony Cowan  
 MARTIN, Walter Herbert  
 CHRISTIE, Alan Thomas  
 MEDLAND, John Aubrey  
 ARTHUR, John Greig  
 SMITH, St. Elmo Vining  
 AYERS, William Joseph  
 DALE-HARRIS, Robert Baldwin  
 FERGUSON, Gordon Ronald  
 SMYTHE, William Arden  
 LYTTLE, Donovan Ralph

CASSELTON, Lillian Rosetta  
 MAMANN, Jack  
 APELOWICZ, Mendel  
 LAST, Victor  
 MEIKLEHAM, Alexander Jonston  
 SHERRARD, Allen John  
 MORRISON, Ian Young  
 DROHAN, Arthur Brooks  
 HOGG, Samuel John  
 McGUIRE, Henry Clarence  
 LEITERMAN, Douglas McGregor  
 BROWN, Edward Alexander  
 STONE, Edward Lawrence  
 PERKIN, Henry Albert  
 GREGORY, Wilfred Palmer Wilfred Palmer  
 LIND, John Skiffington Heming  
 IRELAND, Sydney Keith  
 ANDERSON, John Richard  
 ARMSTRONG, Johnston Montgomery  
 KENNER, Dr. Harold Brown  
 HOTTOT, Gail Marie  
 SHAW, Arthur Albert  
 LAWSON, Harold Robert  
 GORDON, John Donald  
 RICHARDS, Cecil  
 BRAY, Carne Harry  
 ROTSTEIN, Maxwell Lawrence  
 NELSON, Edwin Francis Knox

## **APPENDIX B**

### **List of Exhibits**





## LIST OF EXHIBITS

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1.	Certified copy of Letters Patent, from the Provincial Secretary of Ontario, of Atlantic Acceptance Corporation Limited, dated 28 January, 1953.	12.	Certificate signed by the Provincial Secretary of Ontario, certifying the payment of additional money—Conversion of 15,000 preference shares of Atlantic Acceptance Corporation of common shares dated 16 March, 1965.
2.	Certified copy of Supplementary Letters Patent, from the Provincial Secretary of Ontario, of Atlantic Acceptance Corporation Limited, dated 3 November, 1953.	13.	Certificate dated 7 October, 1964 signed by the Provincial Secretary of Ontario—Share value of Atlantic Acceptance Corporation not to exceed \$16,500,000.
3.	Certified copy of Supplementary Letters Patent, from the Provincial Secretary of Ontario, of Atlantic Acceptance Corporation Limited, dated 27 June, 1955.	14.	Certificate dated 27 September, 1961, signed by Provincial Secretary of Ontario—Share value of Atlantic Acceptance Corporation not to exceed \$6,000,000.
4.	Certificate of Provincial Secretary to Atlantic Acceptance Corporation Limited permitting increase of capitalization of the company, dated 6 August, 1958.	15.	Certificate dated 2 January, 1963, signed by the Provincial Secretary of Ontario—Share value of Atlantic Acceptance Corporation not to exceed \$12,000,000.
5.	Certified copy of Supplementary Letters Patent, from the Provincial Secretary of Ontario, of Atlantic Acceptance Corporation Limited, dated 16 November, 1959.	16.	Certificate dated 15 September, 1964, signed by Provincial Secretary of Ontario—Share value of Atlantic Acceptance Corporation not to exceed \$14,000,000.
6.	Certified copy of Supplementary Letters Patent, from the Provincial Secretary of Ontario, of Atlantic Acceptance Corporation, dated 28 February, 1961.	17.	Volume 1, Atlantic Acceptance Corporation Limited minute book, February, 1953 to 24 October, 1957.
7.	Certified copy of Supplementary Letters Patent, from the Provincial Secretary of Ontario, of Atlantic Acceptance Corporation Limited, dated 25 September, 1962.	18.	Folder of documents directed to be annexed as exhibits to minutes set out in Exhibit 17—Atlantic Acceptance Corporation.
8.	Certified copy of Supplementary Letters Patent, from the Provincial Secretary of Ontario, of Atlantic Acceptance Corporation Limited, dated 26 September, 1962.	19.	Volume 2, minute book of Atlantic Acceptance Corporation Limited from 13 February, 1958 to 27 February, 1961.
9.	Certified copy of Supplementary Letters Patent, from the Provincial Secretary of Ontario, of Atlantic Acceptance Corporation Limited, dated 7 November, 1962.	20.	Folder of documents marked "Volume 2," exhibits directed to be annexed to the minutes set out in Exhibit 19 — Atlantic Acceptance Corporation.
10.	Certified copy of Supplementary Letters Patent, from the Provincial Secretary of Ontario, of Atlantic Acceptance Corporation Limited, dated 10 May, 1963.	21.	Shareholders' minute book, Atlantic Acceptance Corporation Limited, from 2 February, 1953, to 21 February, 1961.
11.	Certified copy of Supplementary Letters Patent, from the Provincial Secretary of Ontario, of Atlantic Acceptance Corporation Limited, dated 21 September, 1964.	22.	Folder of documents directed to be annexed as exhibits to the minutes set out in Exhibit 21—Atlantic Acceptance Corporation.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
23.	Minute book of directors' minutes of Atlantic Acceptance Corporation Limited, 27 April, 1961 to 20 November, 1963, and shareholders' minutes from 28 February, 1962 to May 10, 1963.	35.	Third Annual Report for year ended 30 June, 1956, dated 3 September, 1956—Atlantic Acceptance Corporation Limited.
24.	Folder of documents directed to be annexed as exhibits to the minutes of meetings of the board of directors from 27 September, 1961 to 25 June, 1962, Atlantic Acceptance Corporation.	36.	Fourth Annual Report for six months ended 31 December 1956, dated 21 March, 1957—Atlantic Acceptance Corporation Limited.
25.	Folder of documents directed to be annexed as exhibits to the minutes of meetings of the board of directors from 26 July, 1962, to 13 March, 1963, Atlantic Acceptance Corporation.	37.	Fifth Annual Report for year ended December 31, 1957, dated 28 February, 1958—Atlantic Acceptance Corporation.
26.	Minute book of directors' minutes from 18 February, 1964 to July 14, 1965 and shareholders' minutes from 30 June, 1964 to 9 June, 1965, Atlantic Acceptance Corporation.	38.	Unaudited condensed Balance Sheet, Statement of Operation and Statement of Earned Surplus for six months ended June 30, 1958—Atlantic Acceptance Corporation.
27.	Folder of documents directed to be annexed to the minutes of directors' meetings from 29 April, 1963 to 20 August, 1964, Atlantic Acceptance Corporation.	39.	Sixth Annual Report for year ended December 31, 1958, dated 26 March, 1959—Atlantic Acceptance Corporation.
28.	Folder of documents directed to be annexed to the minutes of directors' meetings from 4 September, 1964 to 28 April, 1965, Atlantic Acceptance Corporation.	40.	Seventh Annual Report, December 31, 1959, dated 10 February, 1960—Atlantic Acceptance Corporation Limited.
29.	Folder of documents directed to be annexed to the minutes of directors' meetings from 18 May 1965 to 11 August, 1965—Atlantic Acceptance Corporation.	41.	Eighth Annual Report, 1960, dated 16 February, 1961—Atlantic Acceptance Corporation.
30.	Folder of documents directed to be annexed to the minutes of shareholders' meetings, from February 28, 1962 to 9 June, 1965—Atlantic Acceptance Corporation.	42.	Ninth Annual Report, 1961, dated 12 February, 1962—Atlantic Acceptance Corporation.
31.	Minutes of directors' meetings of 11 August, 1965 and 26 October, 1965—Atlantic Acceptance Corporation Limited.	43.	Tenth Annual Report, 1962, dated 28 February, 1963—Atlantic Acceptance Corporation Limited.
32.	By-law book of Atlantic Acceptance Corporation Limited, and Special Resolutions.	44.	Eleventh Annual Report, 1963, dated 30 April, 1964—Atlantic Acceptance Corporation Limited.
33.	First Annual Report dated 2 October, 1954, for year ended 30 June, 1954—Atlantic Acceptance Corporation Limited.	45.	Twelfth Annual Report, 1964, dated 18 February, 1965—Atlantic Acceptance Corporation.
34.	Second Annual Report for year ended June 30, 1955, dated 3 September, 1955—Atlantic Acceptance Corporation Limited.	46.	Listing Agreement, which bears the statement, "Listed October 4, 1955", between Atlantic Acceptance Corporation Limited and the Toronto Stock Exchange.
		47.	Twelfth Supplemental Indenture, between Atlantic Acceptance Corporation Limited and Montreal Trust Company dated 15 March, 1965.
		48.	Indenture of Trust, February 1, 1961, entered into between Atlantic Acceptance Corporation and Montreal Trust Company providing for issuance of senior notes by indenture.
		49.	Document entitled First Supplemental Indenture, 15 September, 1961—Atlantic Acceptance Corporation.

*Exhibit  
No.*

*Description*

50. Document entitled Second Supplemental Indenture, 18 April, 1962, providing for the issuance and securing of medium-term notes—Atlantic Acceptance Corporation.
51. Document entitled Third Supplemental Indenture, 15 May, 1962, providing for issuance and securing of senior notes of Series H and Series I—Atlantic Acceptance Corporation.
52. Document entitled Fourth Supplemental Indenture, 8 June, 1962, providing for issuance and securing of senior notes of Series J—Atlantic Acceptance Corporation.
53. Document entitled Fifth Supplemental Indenture, 22 June, 1962, providing for issuance and securing of senior notes of Series K—Atlantic Acceptance Corporation.
54. Document entitled Sixth Supplemental Indenture, 24 September, 1962, providing for issuance and securing of senior notes of Series L and M—Atlantic Acceptance Corporation.
55. Document entitled Seventh Supplemental Indenture, January 15, 1963, providing for issuance and securing of senior notes of Series N—Atlantic Acceptance Corporation.
56. Document entitled Eighth Supplemental Indenture, 15 July, 1964, providing for issuance and securing of senior notes of Series O—Atlantic Acceptance Corporation.
57. Document entitled Ninth Supplemental Indenture, 20 August, 1964, providing for issuance and securing of senior notes of Series P—Atlantic Acceptance Corporation.
58. Document entitled Tenth Supplemental Indenture, 15 September, 1964, providing for issuance and securing of senior notes of Series Q—Atlantic Acceptance Corporation.
59. Document entitled Eleventh Supplemental Indenture, 1 February, 1965, providing for issuance and securing of senior notes of Series R—Atlantic Acceptance Corporation.
60. Minute book, Volume 1, Commodore Sales Acceptance Limited, for the period 6 March 1959—15 December 1960.
61. Minute book, Volume 2, Commodore Sales Acceptance Limited for the period 6 February 1961 — 30 December 1965.

*Exhibit  
No.*

*Description*

62. Share certificate book of Commodore Sales Acceptance Limited, book no. 1.
63. Share certificate book of Commodore Sales Acceptance Limited, book no. 2.
64. Share Certificate Book of Commodore Sales Acceptance Limited, book no. 3.
65. Share certificate book of Commodore Sales Acceptance Limited, book no. 4.
66. Share certificate book of Commodore Sales Acceptance Limited, book no. 5.
67. Share certificate book of Commodore Sales Acceptance Limited, book no. 6.
68. Folder of documents entitled "Commodore Sales Acceptance Limited, Financial Statements, 1959—1964, inclusive".
69. Book entitled "Commodore Sales Acceptance Limited and Commodore Factors Limited, Consolidated Financial Statements, 1962—1964, inclusive".
70. Minute book entitled "Crest Acceptance Corporation Limited, Volume 1 for the period 2 July, 1958 — 8 March, 1962".
71. Minute book of Adelaide Acceptance Corporation Limited, Volume 2 for the period 20 March, 1962—24 June 1965.
72. Financial statement of Adelaide Acceptance Corporation Limited, 31 December, 1962.
73. Financial statement, Adelaide Acceptance Corporation Limited, 31 December, 1963.
74. Financial statement of Adelaide Acceptance Corporation Limited, 31 December, 1964, with balance sheet, operating statement and auditor's certificate.
75. List of directors of Atlantic Acceptance Corporation Limited from date of incorporation to 26 October, 1965.
76. List of officers of Atlantic Acceptance Corporation Limited, 1960 to December 20, 1965.
77. Folder of documents entitled "Commodore Factors Limited, Financial Statements, 1962—1964, inclusive".



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
78.	List of notes other than issued under deed or trust—Atlantic Acceptance Corporation.	95.	Interim Report of Atlantic Acceptance Corporation Limited, 30 September, 1964.
79.	Bundle of twenty-three sheets of paper bearing title "Atlantic Acceptance Corporation Limited, Third Schedule, for the period from the month of June, 1963 to and including the month of April, 1965."	96.	Annual Report of Atlantic Acceptance Corporation Limited, 31 December, 1964.
80.	Atlantic Acceptance Corporation and Subsidiary Companies, Quarterly Report, March 31, 1961.	97.	Supplementary Information, Atlantic Acceptance Corporation Limited, 31 December, 1964.
81.	Interim Report of Atlantic Acceptance Corporation Limited June 30, 1961.	98.	Interim Report of Atlantic Acceptance Corporation Limited, 31 March, 1965.
82.	Interim Report of Atlantic Acceptance Corporation Limited 30 September, 1961.	99.	List of noteholders under deed of trust, of Atlantic Acceptance Corporation Limited.
83.	Annual Report, Atlantic Acceptance Corporation Limited, 31 December, 1961.	100.	Financial statement of Symphony Paint Company for the year ended 31 December, 1962.
84.	Quarterly Report of Atlantic Acceptance Corporation Limited, 31 March, 1962.	101.	Financial statement of Symphony Paint Company for the year ended 31 December, 1963.
85.	Interim Report of Atlantic Acceptance Corporation Limited, 30 June, 1962.	102.	Financial statement of Symphony Paint Company for the year ended 31 December, 1964.
86.	Quarterly Report of Atlantic Acceptance Corporation Limited, 30 September, 1962.	103.	Financial statement of Commercial Chemicals Limited for the years 1959 to 1963 inclusive.
87.	Annual Report of Atlantic Acceptance Corporation Limited, 31 December, 1962.	104.	Financial statement of M.L.B. Investments Limited for the year ended 31 December, 1960.
88.	Interim Report of Atlantic Acceptance Corporation Limited, 31 March, 1963.	105.	Financial statement of M.L.B. Investments Limited for the year ended 31 December, 1961.
89.	Interim Report of Atlantic Acceptance Corporation Limited, 30 June, 1963.	106.	Financial statement of M.L.B. Investments Limited for the year ended 31 December, 1962.
90.	Interim Report of Atlantic Acceptance Corporation Limited, 30 September, 1963.	107.	Financial statement of M.L.B. Investments Limited for the year ended 31 December, 1963.
91.	Annual Report of Atlantic Acceptance Corporation Limited, 31 December, 1963.	108.	Financial statement of M.L.B. Investments Limited for the year ended 31 December, 1964.
92.	Supplementary Information 1963 of Atlantic Acceptance Corporation Limited.	109.	Board of directors' minute book of British Mortgage & Trust Company, containing minutes from 16 January, 1952 to 17 December, 1963.
93.	Interim Report of Atlantic Acceptance Corporation Limited, 31 March, 1964.	110.	Minute book of executive committee of the board of directors of British Mortgage & Trust, containing minutes from the month of December, 1952 to December 1960.
94.	Interim Report of Atlantic Acceptance Corporation Limited, 30 June, 1964.	111.	Minute book of the board of directors of British Mortgage & Trust, containing minutes from the month of 7 January, 1964 to September 3, 1965.

<i>Exhibit No.</i>	<i>Description</i>
112.	Minute book of executive committee of the board of directors of British Mortgage & Trust, containing minutes from January 3, 1961 to July 6, 1965.
113.	Minute book, Volume 1, of Five Wheels Limited for the period 8 January 1953-7 August, 1962.
114.	Minute book, Volume 2, of Five Wheels Limited for the period 26 September 1962-30 June, 1965.
115.	Minute book, Volume 3, of Five Wheels Limited for the period 23 August 1965-23 November 1965.
116.	Consolidated financial statements of Five Wheels Limited and its wholly-owned subsidiaries, for the year ended 31 December, 1963.
117.	Consolidated financial statement of Five Wheels Limited and its wholly-owned subsidiaries for the year ended December 31, 1964.
118.	Minute book of Consolidated Toronto Development Corporation Limited for the years 1960 to 1962.
119.	Consolidated minute book of Consolidated Toronto Development Corporation Limited and Great Northern Capital Corporation Limited from 14 March, 1963 to 20 December, 1965.
120.	Financial statements of Consolidated Toronto Development Corporation Limited for the year ended 31 December, 1960.
121.	Financial statements of Consolidated Toronto Development Corporation Limited for the year ended 31 December, 1961.
122.	Consolidated financial statements of Consolidated Toronto Development Corporation Limited for the fiscal period 1 January, 1962 to 30 November, 1962.
123.	Consolidated financial statements of Consolidated Toronto Development Corporation Limited for the year ended November 30, 1963.
124.	Financial statements of Great Northern Capital Corporation Limited (formerly Consolidated Toronto Development Corporation Limited) for the period ended 31 December, 1964.
125.	Minute book of Premiumwares Limited, April, 1953, to December, 1964.

<i>Exhibit No.</i>	<i>Description</i>
126.	Minute book of Premiumwares Limited, dated March, 1965.
127.	Financial statements of Premiumwares Limited as at 31 December, 1960.
128.	Financial statements of Premiumwares Limited for the year ended 31 December, 1961.
129.	Financial statements of Premiumwares Limited for the year ended 31 December, 1962.
130.	Financial statements of Premiumwares Limited for the year ended 31 December, 1963.
131.	Financial statements of Premiumwares Limited for the year ended 31 December, 1964.
132.	Minute book, Volume 1, of D.H.I. Limited.
133.	Minute book, Volume 2, of D.H.I. Limited.
134.	Minute book, Volume 3, of D.H.I. Limited.
135.	Financial statements of D.H.I. Limited for the period 1 January, 1962, to 30 November, 1962.
136.	Financial statements of D.H.I. Limited as at December 31, 1963.
137.	Financial statements of D.H.I. Limited as at December 31, 1964.
138.	Minute book of Mastino Developments Limited.
139.	Financial statements of Mastino Developments Limited for the year ended 31 May, 1963.
140.	Financial statements of Mastino Developments Limited for the year ended May 31, 1964.
141.	Minute book of Arcan Corporation Limited from September, 1954 to September, 1959.
142.	Minute book of Arcan Corporation Limited from September, 1959 to April, 1964.
143.	Minute book of directors' meetings of Arcan Corporation Limited, from October, 1953, to October, 1958.
144.	Minute book of directors' meetings of Arcan Corporation Limited, from January, 1959 to July, 1965.



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
145.	Certified copies of by-laws of Arcan Corporation Limited.	161.	Atlantic Acceptance Corporation Limited, list of shareholders of second preference class A shares, as at 18 June, 1965.
146.	Financial statements of Arcan Corporation Limited for the year ended 31 March, 1960.	162.	Eastern & Chartered Trust Company Register of shareholders of capital stock of Atlantic Acceptance Corporation Limited 2nd preferred class B shares as at June 18, 1965.
147.	Financial statements of Arcan Corporation Limited for the year ended March 31, 1961.	163.	Atlantic Acceptance Corporation Limited, list of registered holders of third preference shares, as at 18 June, 1965.
148.	Financial Statements of Arcan Corporation Limited for the year ended March 31, 1962.	164.	Certificate of Eastern & Chartered Trust Company dated 13 January, 1966, showing the names of registered holders of shares of each class of Atlantic Acceptance Corporation Limited.
149.	Financial statements of Arcan Corporation Limited for the year ended March 31, 1963.	165.	Certificate signed by Eastern & Chartered Trust Company dated 17 January, 1966, showing list of holdings of each class of shares on the dates 30 June, 1964, and 17 June, 1965 of the directors of Atlantic Acceptance Corporation Limited.
150.	Financial statements of Arcan Corporation Limited for the year ended March 31, 1964.	166.	Copy of prospectus, Atlantic Acceptance Corporation Limited filed with the Ontario Securities Commission on 24 February, 1953.
151.	Minute book of Bon Ami Limited covering the period April, 1959 to November, 1965.	167.	Copy of prospectus, Atlantic Acceptance Corporation Limited, filed with the Ontario Securities Commission on 15 June, 1962.
152.	Financial statements of Bon Ami Limited for the period ending 31 March, 1963.	168.	Copy of prospectus, Atlantic Acceptance Corporation Limited filed with the Ontario Securities Commission on 21 June, 1963.
153.	Financial statements of Bon Ami Limited for the period ending March 31, 1964.	169.	Copy of prospectus, Atlantic Acceptance Corporation Limited filed with the Ontario Securities Commission on 21 June, 1963, relating to an issue of \$4,500,000 of 6¼% sinking fund subordinated notes first series.
154.	Minute book of Charcoal Supply & Sales of Ontario Limited, from 1959 to June, 1963.	170.	Copy of prospectus, Atlantic Acceptance Corporation Limited filed with the Ontario Securities Commission on 11 September, 1963, relating to an issue of short-term notes and medium-term notes.
155.	Financial statements of Charcoal Supply & Sales of Ontario Limited, for the year ending March 31, 1963.	171.	Copy of prospectus, Atlantic Acceptance Corporation Limited filed with the Ontario Securities Commission on 18 June, 1964, relating to issue of short and medium-term notes.
156.	Financial statements of Charcoal Supply & Sales of Ontario Limited, for year ended March 31, 1964.	172.	Copy of draft prospectus, Atlantic Acceptance Corporation Limited received by the Ontario Securities Commission on 21 April, 1965.
157.	Report and financial statements as of March 31, 1963, for Arcan Corporation Limited, Bon Ami Limited and Charcoal Supply & Sales of Ontario Limited.		
158.	Consolidated statement of Arcan Corporation Limited and its subsidiaries, Bon Ami Limited and Charcoal Supply & Sales of Ontario Limited, as of March 31, 1964.		
159.	Atlantic Acceptance Corporation Limited list of shareholders of common shares as of June 4, 1965.		
160.	Atlantic Acceptance Corporation Limited list of shareholders of first preference shares, as at June 18, 1965.		

<i>Exhibit No.</i>	<i>Description</i>
173.	Copy of prospectus and listing agreement filed 16 August, 1962, with Ontario Securities Commission, of Commodore Business Machines (Canada) Limited, relating to issue of 300,000 common shares.
174.	Copy of prospectus, Commodore Business Machines (Canada) Limited filed 22 November, 1962 with the Ontario Securities Commission, relating to issue of \$1,000,000, 7% convertible sinking fund debentures Series A.
175.	Copy of prospectus, Commodore Business Machines (Canada) Limited filed 22 November, 1962 with the Ontario Securities Commission, relating to issue of warrants to purchase 100,000 common shares.
176.	Copy of prospectus, Molly Corporation filed 4 December, 1963, with the Ontario Securities Commission, relating to issue of 100,000 common shares of the stock of that company.
177.	Copy of prospectus, Analogue Controls, Inc., filed 28 December, 1956 with the Ontario Securities Commission, relating to issue of \$250,000 principal amount of 6% convertible income debentures Series A.
178.	Copy of listing statement, Analogue Controls Inc., to Toronto Stock Exchange, filed with Ontario Securities Commission on 24 June, 1957.
179.	Copy of prospectus Analogue Controls Inc., filed 27 February, 1959 with the Ontario Securities Commission, relating to issue of 40,000 shares of common stock and 40,000 warrants.
180.	Copy of prospectus, Analogue Controls Inc., filed 17 February, 1960 with Ontario Securities Commission, relating to an issue of 30,000 shares of common stock and 30,000 warrants.
181.	Copy of prospectus, Lucayan Beach Hotel Company Limited, filed 15 June, 1964 with the Ontario Securities Commission, relating to an issue of 300,000 ordinary shares.
182.	Volume of minutes of Fun-A-Marin Limited.
183.	Financial statements of Fun-A-Marin Limited, seven months period ending 31 May, 1963.
184.	Minute book of John Belli Operations Limited from June 2, 1959 to July 2, 1963.

<i>Exhibit No.</i>	<i>Description</i>
185.	Financial statements of John Belli Operations Limited for year ending June 30, 1962.
186.	Financial statements of John Belli Operations as of June 30, 1963.
187.	Share register for common shares of John Belli Operations Limited.
188.	Volume of preferred shares register for John Belli Operations Limited.
189.	Minute book of Old Angelo's Restaurant Limited from October 16, 1963 to June 1, 1965.
190.	Financial statements of Old Angelo's Restaurant Limited, for year ending June 30, 1964.
191.	Financial statements of Old Angelo's Restaurant Limited for year ending June 30, 1965.
192.	Common and preferred share register of Old Angelo's Restaurant Limited.
193.	Financial statement of Fun-A-Marin Limited, January 31, 1964.
194.	Financial statement of Fun-A-Marin Limited, January 31, 1965.
195.	Minute book of London Lighthouse Investments Limited.
196.	Minute book of Treasure Island Gardens Limited.
197.	Minute book of Treasure Island Properties Limited.
198.	Financial statement of Treasure Island Gardens Limited, 31 August, 1964.
199.	Minute book of Hebard Holdings Limited.
200.	Minute book of Conarm Developments Limited.
201.	Minute book of Chartered Management Consultants (of Canada) Limited.
202.	Financial statement of Chartered Management Consultants (of Canada) Limited, November 30, 1963.
203.	Financial statement of Chartered Management Consultants (of Canada) Limited, 30 November, 1964.
204.	Minute book, Volume 1, of American-Marsh Pumps (Canada) Limited.
205.	Minute book, Volume 2, American-Marsh Pumps (Canada) Limited.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
206.	Financial statement of American-Marsh Pumps (Canada) Limited, 30 November, 1961.	226.	Common share register book of Cimcony of Canada, Limited.
207.	Financial statement of American-Marsh Pumps (Canada) Limited, 30 November, 1962.	227.	Preference share register of Cimcony of Canada Limited.
208.	Financial statement of American-Marsh Pumps (Canada) Limited, 31 December, 1962.	228.	Financial statement of Cimcony of Canada Limited, 31 May, 1964.
209.	Financial statement of American-Marsh Pumps (Canada) Limited, 31 December, 1963.	229.	Minute book of Dallas Holdings Limited.
210.	Financial statement of American-Marsh Pumps (Canada) Limited, 30 November, 1964.	230.	Financial statement of Dallas Holdings Limited, 31 December, 1961.
211.	Share register book of common shares of Anglo Discount Sales Limited.	231.	Financial statement of Dallas Holdings Limited, 31 December, 1964.
212.	Certified copy of Letters Patent, from the Provincial Secretary of Ontario, of Anglo Discount Sales Limited.	232.	Minute book, No. 2, of Dalite Corporation (Canada) Limited, covering the period 24 January, 1962 to 17 June, 1964.
213.	Minute book of Associated Canadian Holdings Limited.	233.	Financial statement of Dalite Corporation (Canada) Limited, 31 July, 1961.
214.	Share register, Volume 1, of common shares of Associated Canadian Holdings Limited.	234.	Financial statement of Dalite Corporation (Canada) Limited, 31 July, 1962.
215.	Share register, Volume 2, of Common Shares of Associated Canadian Holdings Limited.	235.	Financial statement of Dalite Corporation (Canada) Limited, 31 December, 1962.
216.	Preference share register of Associated Canadian Holdings Limited.	236.	Financial statement of Dalite Corporation (Canada) Limited, 31 December, 1963.
217.	Financial statement of Associated Canadian Holdings Limited, 30 June, 1964.	237.	Financial statement of Dalite Corporation (Canada) Limited, 31 December, 1964.
218.	Minute book of Belfield Investments Limited.	238.	(Not allocated)
219.	Financial statement of Belfield Investments Limited, as at 31 October, 1962.	239.	Minute book of Evermac Office Equipment Company Limited.
220.	Financial statement of 50 Belfield Road Limited, 31 October, 1962.	240.	Common share register book of Evermac Office Equipment Company Limited.
221.	Financial statement of 60 Belfield Road Limited, 31 October, 1962.	241.	Preference share register book of Evermac Office Equipment Company Limited.
222.	Common share register of Chatsworth Enterprises Limited.	242.	Financial statement of Evermac Office Equipment Company Limited, September 30, 1960.
223.	Financial statement of Chatsworth Enterprises Limited, 31 July, 1961.	243.	Financial statement of Evermac Office Equipment Company Limited, 30 September, 1962.
224.	Common share register of Celtic Discount Stores Limited.	244.	Financial statement of Evermac Office Equipment Company Limited, 30 September, 1963.
225.	Minute book of Cimcony of Canada Limited.	245.	Financial statement of Evermac Office Equipment Company Limited, 30 September, 1964.



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
246.	Minute book of General Lawn Spray Limited.	260.	Financial statement of Frederick's Department Store Limited, 31 January, 1964, containing auditors' certificate signed by Wagman, Fruitman & Lando.
247.	Balance sheet, General Lawn Spray Limited, 31 December, 1964, including a statement of deficits and notes to financial statement.	261.	Minute book of F. C. Adams Limited.
248.	Minute book of Jacroy Canada Limited.	262.	Financial statement of F. C. Adams Limited, 31 December, 1960.
249.	Financial statement of Jacroy Canada Limited, 31 December, 1959 containing auditors' report signed by Smith, Winston, Wolman, Roth and Smith.	263.	Financial statement of F. C. Adams Limited, 31 December, 1961.
250.	Financial statement of Jacroy Canada Limited, 31 December, 1960 containing auditors' report signed by Smith, Winston, Wolman, Roth and Smith.	264.	Financial statement of F. C. Adams Limited, 31 December, 1962.
251.	Financial statement of Jacroy Canada Limited, 31 December, 1961, containing indication by Smith, Winston, Wolman, Roth and Smith that it was prepared from the books of the company, without audit.	265.	Financial statement of F. C. Adams Limited, 31 December, 1963.
252.	Financial statement of Jacroy Canada Limited, 31 December, 1962 containing indication by Smith, Winston, Wolman, Roth and Smith that it was prepared from the books of the company, without audit.	266.	Financial statement of F. C. Adams Limited, 31 December, 1964.
253.	Financial statement of Jacroy Canada Limited, 31 December, 1964, containing auditors' report signed by Smith, Winston, Wolman, Roth and Smith.	267.	Minute book, Volume 1, of Racan Photo-Copy Corporation Limited.
254.	Minute book of Masco Construction Company Limited.	268.	Minute book, Volume 2, of Racan Photo-Copy Corporation Limited.
255.	Share register book of common shares of Masco Construction Company Limited.	269.	Financial statement of Racan Photo-Copy Corporation Limited, 30 September, 1961.
256.	Financial statement of Masco Construction Company Limited, 31 July, 1964.	270.	Financial statement of Racan Photo-Copy Corporation Limited, 31 December, 1962.
257.	Minute book of Frederick's Department Store Limited.	271.	Copy of prospectus of Racan Photo-Copy Corporation Limited, 12 October, 1962 relating to 100,000 common shares.
258.	Financial statement of Frederick's Department Store Limited, 2 November, 1961 to 31 December, 1961 audited by Clarkson, Gordon & Company.	272.	Report to shareholders and annual report of Racan Photo-Copy Corporation Limited.
259.	Financial statement of Frederick's Department Store Limited, 31 January, 1963, including an auditors' report by Clarkson, Gordon & Company.	273.	Minute book of Racan Office Supplies Limited.
		274.	Financial statement of Racan Office Supplies Limited as at 31 December, 1961.
		275.	Minute book of Valley Farm and Enterprises Limited.
		276.	Balance sheet of Valley Farm and Enterprises Limited as at 31 December, 1961.
		277.	Financial statements of Valley Farm and Enterprises Limited as at 30 June, 1962.
		278.	Handwritten balance sheet of Valley Farm and Enterprises Limited as at 31 December, 1962.
		279.	Financial statement of Valley Farm and Enterprises Limited as at 30 June, 1963.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
280.	Financial statement of Valley Farm and Enterprises Limited as at 30 June, 1964.	298.	Financial statement of Trans Commercial Acceptance Limited for the period ending 31 December, 1964.
281.	Financial statement of Valley Farm and Enterprises Limited as at 30 April, 1965.	299.	Preference share register of Trans Commercial Acceptance Limited.
282.	Minute book of N.G.K. Investments Limited.	300.	Minute book of Mavety Film Delivery Limited, Volume 1.
283.	Financial statement of N.G.K. Investments Limited as at 31 December, 1961.	301.	Minute book of Mavety Film Delivery Limited, Volume 2.
284.	Financial statement of N.G.K. Investments Limited as at 31 December, 1962.	302.	Financial statement of Mavety Film Delivery Limited for the year ending 30 April, 1960.
285.	Financial statement of N.G.K. Investments Limited as at 31 December, 1963.	303.	Financial statement of Mavety Film Delivery Limited for the year ending 30 April, 1961.
286.	Financial Statement of N.G.K. Investments Limited as at 31 December, 1964.	304.	Financial statement of Mavety Film Delivery Limited for the year ending 30 April, 1962.
287.	Minute book No. 1 of Aurora Leasing Corporation Limited.	305.	Financial statement of Mavety Film Delivery Limited for the year ending 30 April, 1963.
288.	Minute books, No. 2 of Aurora Leasing Corporation Limited.	306.	Financial statement of Mavety Film Delivery Limited for the year ending 30 April, 1964.
289.	Interim financial statement for the eight month period ending 31 August, 1960, concerning affairs of Aurora Leasing Corporation signed by Smith, Winston, Wolman, Roth and Smith.	307.	Financial statement of Mavety Film Delivery Limited for the year ending 30 April, 1965.
290.	Financial statement of Aurora Leasing Corporation Limited for period ending 31 December, 1960.	308.	Minute book of A. J. & E. Goldberg Brothers Limited.
291.	Financial statement of Aurora Leasing Corporation as at 31 December, 1961.	309.	Financial statement of A. J. & E. Goldberg Brothers Limited for the year ending 30 June, 1963.
292.	Financial statement of Aurora Leasing Corporation as at 31 December, 1962.	310.	Financial statement of A. J. & E. Goldberg Brothers Limited for the year ending 30 June, 1964.
293.	Financial statement of Aurora Leasing Corporation as at 31 December, 1963.	311.	Minute book of Pro Musica Limited, Volume 1.
294.	Financial statement of Aurora Leasing Corporation as at 31 December, 1964, as per auditors' report to shareholders dated March 9, 1965.	312.	Minute book of Pro Musica Limited, Volume 2.
295.	Financial statement of Aurora Leasing Corporation as at 31 December, 1964, as per auditors' report to shareholders dated July 8, 1965.	313.	Financial statement of Pro Musica Limited for the year ended 30 September, 1963.
296.	Minute book of Trans Commercial Acceptance Limited.	314.	Financial statement of Pro Musica Limited for the year ended 30 September, 1964.
297.	Common share register of Trans Commercial Acceptance Limited.	315.	Financial statement of Bond & Cosman Limited as at 28 February, 1962.
		316.	Financial statement of Bond & Cosman Limited as at 31 July, 1962.
		317.	Financial statement of Bond & Cosman Limited as at 31 July, 1963.



<i>Exhibit No.</i>	<i>Description</i>
318.	Financial statement of Mart Utilities Limited as at 31 July, 1963.
319.	Minute book of Mart Buying Services Limited.
320.	Minute book of Highlight Distributors Limited.
321.	Share register of common shares of Highlight Distributors Limited.
322.	Minute book of Commodore Portable Typewriter Company Limited for October 10, 1958 to December 15, 1961.
323.	Financial statement of Commodore Portable Typewriter Company Limited as at 31 January, 1961.
324.	Financial statements of Commodore Portable Typewriter Company Limited for the period 1 February, 1961 to 30 June, 1961.
325.	Financial statements of Commodore Portable Typewriter Company Limited, for the period 1 July, 1961 to 31 December, 1961.
326.	Financial statements of Humber Typewriters & Business Equipment Limited for the year ended 31 December, 1962.
327.	Interim financial statement of Humber Typewriters & Business Equipment Limited for the six months ending 30 June, 1963.
328.	Financial statements of Humber Typewriters & Business Equipment Limited for the year ended 31 December, 1963.
329.	Financial statements of Humber Typewriters & Business Equipment Limited for the year ended 31 December, 1964.
330.	Minute book of Baronet Associates Inc. between 2 March, 1964 and 29 September, 1965.
331.	Minute book of Commodore Drycopy Limited from 3 July, 1962, to 11 June, 1964.
332.	Financial statements of Commodore Drycopy Limited from 12 June, 1962 to 31 May, 1963.
333.	Financial statements of Commodore Drycopy Limited for the year ended 31 May, 1964.
334.	Minute book of Pearlsound Distributors Limited from 21 August, 1961 to 9 April, 1965.

<i>Exhibit No.</i>	<i>Description</i>
335.	Financial statements of Pearlsound Distributors Limited for the year end 30 June, 1962.
336.	Financial statements of Pearlsound Distributors Limited for the year end 30 June, 1963.
337.	Financial statement of Pearlsound Distributors Limited for the year end 30 June, 1964.
338.	Minute book of Hugo Oppenheimbank (Canada) Limited from 22 December, 1964 to 11 June, 1965.
339.	Share register of common shares of Hugo Oppenheimbank (Canada) Limited.
340.	Share register for preferred shares of Hugo Oppenheimbank (Canada) Limited.
341.	Balance sheet of Hugo Oppenheimbank (Canada) Limited, as at 31 December, 1964.
342.	Minute book of Commodore Business Machines (Canada) Limited, Volume 1.
343.	Minute book of Commodore Business Machines (Canada) Limited, Volume 2.
344.	Minute book of Commodore Business Machines (Canada) Limited, Volume 3.
345.	Prospectus book of Commodore Business Machines (Canada) Limited — 300,000 common shares — dated 31 May, 1962.
346.	Volume of Commodore Business Machines (Canada) Limited — 7% convertible debentures, series A—30 October, 1962.
347.	Volume of Commodore Business Machines (Canada) Limited — 7% convertible debentures, series B—15 April, 1963.
348.	Volume of Commodore Business Machines (Canada) Limited — 7% convertible debentures, series C—1 April, 1964.
349.	Volume of Commodore Business Machines (Canada) Limited—6¾% subordinated notes first series and 6% convertible preference shares series A—1 December, 1964.
350.	Financial statement of Commodore Business Machines (Canada) Limited — 8 months ended 28 February, 1962.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
351.	Financial statements of Commodore Business Machines (Canada) Limited—for the year end, 30 June, 1962.	362.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Anglo Discount Sales Limited.
352.	Financial statement of Commodore Business Machines (Canada) Limited—for the year end, 30 June, 1963.	363.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Arcan Corporation Limited.
353.	Consolidated financial statements of Commodore Business Machines (Canada) Limited and Commodore Business Machines Inc. for period ending 28 February, 1962.	364.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Associated Tool & Manufacturing Limited.
354.	Consolidated financial statements of Commodore Business Machines (Canada) Limited, Commodore Business Machines Inc., Commodore Drycopy Inc., New York and Commodore Drycopy Limited—for the year end 30 June, 1962.	365.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Atlantic Acceptance Corporation Limited dated 5 April, 1960 to 5 November, 1962.
355.	Consolidated financial statements of Commodore Business Machines (Canada) Limited, Commodore Drycopy Limited, Commodore Drycopy Inc., Commodore Business Machines Inc., Humber Typewriter and Business Equipment Limited—for the year end 30 June, 1963.	366.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Atlantic Acceptance Corporation Limited dated 5 November, 1962 to 17 August, 1965.
356.	Consolidated financial statements of Commodore Business Machines (Canada) Limited, Associated Tool Manufacturing Company Limited, Shelburne Tool Company Limited, Belpree Company Limited, Commodore Drycopy Inc., Commodore Drycopy Limited, Commodore Business Machines Inc., Humber Typewriters and Business Equipment Limited—for the year end 30 June, 1964.	367.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Atlantic Acceptance (Toronto) Limited.
357.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: F. C. Adams Limited.	368.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Atlantic Finance Corporation Limited.
358.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Adelaide Acceptance Limited.	369.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Associated Canadian Holdings Limited.
359.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Allied Towers Merchants Limited.	370.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Aurora Leasing Corporation Limited.
360.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: American Automation (Canada) Limited.	371.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Belfield Investments Limited.
361.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: American-Marsh Pumps (Canada) Limited.	372.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Belpree Company Limited.
		373.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Blacam Realities Limited.
		374.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Bon Ami Limited.

<i>Exhibit No.</i>	<i>Description</i>
375.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Bond & Cosman Limited.
376.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Briardale Investments Limited.
377.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Calcutta Holdings Limited.
378.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Canada Motor Products (Blackstone) Limited.
379.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Canadian Nevil Enterprises Limited.
380.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Celtic Discount Stores Limited.
381.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Charcoal Supply & Sales of Ontario Limited.
382.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Chartered Management Consultants (of Canada) Limited.
383.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Commodore Business Machines (Canada) Limited.
384.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Commodore Drycopy Limited.
385.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Commodore Factors Limited.
386.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Commodore Acceptance Limited.
387.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Conarm Developments Limited.
388.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Dalite Corporation (Canada) Limited.

<i>Exhibit No.</i>	<i>Description</i>
389.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Dallas Holdings Limited.
390.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Daytona Investments Limited.
391.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Devonshire Laboratories Limited.
392.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: D.H.I. Limited.
393.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Evermac Office Equipment Company Limited.
394.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Five Wheels Limited.
395.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Frederick's Department Store Limited.
396.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Fun-A-Marin Limited.
397.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Gassem Enterprises Limited.
398.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: G.B.S. Barbecues Limited.
399.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: General Lawn Spray Limited.
400.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: A. J. & E. Goldberg Brothers Limited.
401.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Great Northern Capital Corporation Limited.
402.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Hebard Holdings Limited.



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
403.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Highlight Distributors Limited.	417.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Mastino Developments Limited.
404.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Hilltop Holdings Limited.	418.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Mavety Film Delivery Limited.
405.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Hugo Oppenheimbank (Canada) Limited.	419.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: M.L.B. Investments Limited.
406.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Humber Typewriters & Business Equipment Limited.	420.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Modern Hospital Equipment Designs Limited.
407.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Ingram & Roberts Limited.	421.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Marco Holdings Limited.
408.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: International Freeports Limited.	422.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Nevil Plastics Limited.
409.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Jacroy Canada Limited.	423.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: N.G.K. Investments Limited.
410.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Jumbo Discount Sales Limited.	424.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Old Angelo's Restaurant Limited.
411.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Kelton Ultrasonics Limited.	425.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Opekar Investments Limited.
412.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: London Lighthouse Investments Limited.	426.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Ontario Construction Company Limited.
413.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Louis Sheriff Limited.	427.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Ottawa Valley Amusements Limited.
414.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Mart Buying Services Limited.	428.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Pearlsound Distributors Limited.
415.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Mart Utilities Limited.	429.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Preston Lake Discount Stores.
416.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Masco Construction Company Limited.	430.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Premiumwares Limited.

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
431.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Pro Musica Limited.	445.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Treasure Island Recreation Company Limited.
432.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Province-Wide Stores Limited.	446.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Valley Farm and Enterprises Limited.
433.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Racan Photo-Copy Corporation Limited.	447.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Wildor Holdings Limited.
434.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Saxon Discount Stores Limited.	448.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Yarrum Investments Limited.
435.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: South Wellington Properties Limited.	449.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Concourse Agencies Limited.
436.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Spadina Discount Stores Limited.	450.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Cimcony of Canada Limited.
437.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: The Premier Finance Corporation, Limited.	451.	Certified copy under hand of Deputy Registrar General of Canada of Letters Patent of Cimcony of Canada Limited.
438.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Ticonderoga Investments Limited.	452.	Certified copy under hand of Deputy Registrar General of Canada of Supplementary Letters Patent of Cimcony of Canada Limited.
439.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Towers Marts and Properties Limited.	453.	Certified copy under hand of Deputy Registrar General of Canada of Supplementary Letters Patent of American-Marsh Pumps (Canada) Limited.
440.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Trans Canada Millinery Sales Limited.	454.	Certified copy under hand of Deputy Registrar General of Canada of Letters Patent incorporating Mirelis Investments Limited.
441.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Trans Caribbean Investments Limited.	455.	Certified copy under hand of Deputy Registrar General of Canada of Letters Patent incorporating Molly Corporation of Canada Limited.
442.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Trans Commercial Acceptance Limited.	456.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Shiral Investments Limited.
443.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Treasure Island Gardens Limited.	457.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Trans-Swiss Investments Limited.
444.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Treasure Island Properties Limited.	458.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Trans-Dallas Investments Limited.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
459.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Surpass Investments Limited.	473.	Photostatic copy of O'Brien & Williams ledger card re: C. P. Morgan, for the period September 23, 1964, to July 2, 1965.
460.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Indus Investments Limited.	474.	Photostatic copy of O'Brien & Williams ledger card re: Hugo Oppenheim & Sohn Nachf, for the period December 11, 1964, to May 31, 1965.
461.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Indiancrest Limited.	475.	Photostatic copy of O'Brien & Williams ledger card re: Hugo Oppenheimbank (Canada) Limited, for the period May 31, 1965, to July 2, 1965.
462.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Marco Holdings Limited.	476.	Photostatic copy of Annett Partners Limited ledger card re: Commodore Business Machines Inc., for the period August 24, 1962, to May 13, 1963.
463.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Kipling Industrial Equipment Limited.	477.	Photostatic copy of Annett Partners Limited ledger card re: C. P. Morgan, for the period November 27, 1960, to June 30, 1965.
464.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: 60 Belfield Road Limited.	478.	Photostatic copy of Annett Partners Limited ledger card re: Valley Farm and Enterprises Limited, for the period August 27, 1962, to October 15, 1962.
465.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Executive Acceptance Corporation Limited.	479.	Photostatic copy of Annett Partners Limited ledger card re: Associated Canadian Holdings Limited, for the period August 27, 1962, to June 30, 1965.
466.	Minute Book of Marco Holdings Limited.	480.	Photostatic copy of Annett Partners Limited ledger card re: Commodore Business Machines (Canada) Limited, for the period April 2, 1963 to April 9, 1963.
467.	Financial statements, with affidavit attached, for the years 1962, 1963 and 1964, re: Marco Holdings Limited.	481.	Photostatic copy of Annett Partners Limited ledger card re: Dallas Holdings Limited, for the period December 28, 1961 to July 7, 1965.
468.	Photostatic copy of Jenkin Evans & Company Limited ledger card re: C. P. Morgan for the period November 29, 1961, to June 29, 1965.	482.	Photostatic copy of Annett Partners Limited ledger card re: Jack Tramiel (U.S. account), for the period March 15, 1963 to July 31, 1963.
469.	Photostatic copy of Jenkins, Evans & Company Limited ledger card re: Dallas Holdings Limited, for the period September 7, 1962, to October 20, 1964.	483.	Photostatic copy of Annett Partners Limited ledger card re: Jack Tramiel, for the period December 28, 1960 to September 25, 1964.
470.	Photostatic copy of Jenkins, Evans & Company Limited ledger card re: Valley Farm and Enterprises Limited for the value date October 29, 1962.	484.	Photostatic copy of Annett Partners Limited ledger card re: C. P. Morgan (U.S. account), for the period June 6, 1962, to June 29, 1965.
471.	Photostatic copy of O'Brien & Williams ledger card re: Associated Canadian Holdings Limited, for the period August 21, 1964, to March 1, 1965.	485.	Photostatic copy of Annett Partners Limited ledger card re: Mildred Morgan, for the period March 20, 1964 to June 29, 1965.
472.	Photostatic copy of O'Brien & Williams ledger card re: Jack Tramiel, for the period May 31, 1965, to June 1, 1965.		

*Exhibit  
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*Description*

486. Photostatic copy of Annett Partners Limited ledger card re: Aubrey Medland, for the period August 12, 1964, to August 14, 1964.
487. Photostatic copy of Annett Partners Limited ledger card re: Carman G. King (U.S. account) for the period June 29, 1961 to July 16, 1965.
488. Photostatic copy of Annett Partners Limited ledger card re: Carman G. King, for the period December 14, 1960 to October 13, 1965.
489. Photostatic copy of Annett Partners Limited ledger card re: W. P. Gregory, for the period January 19, 1960 to December 8, 1961.
490. Photostatic copy of Annett Partners Limited ledger card re: Mrs. Ann P. Gregory, value date October 9, 1962.
491. Photostatic copy of Barrett, Good-fellow ledger card re: Associated Canadian Holdings Limited for the period July 24, 1963 to June 25, 1965.
492. Photostatic copy of Barrett, Good-fellow ledger card re: Associated Canadian Holdings Limited (U.S. account) for the period August 6, 1963 to September 22, 1964.
493. Photostatic copy of Barrett, Good-fellow ledger card re: Commodore Business Machines Inc., for the period June 29, 1962 to July 10, 1962.
494. Photostatic copy of Barrett, Good-fellow ledger card re: Cimcony of Canada Limited for the period May 7, 1963 to August 7, 1963.
495. Photostatic copy of Barrett, Good-fellow ledger card re: Commodore Business Machines Inc., for the period December 4, 1963 to October 20, 1964.
496. Photostatic copy of Barrett, Good-fellow ledger card re: Dallas Holdings Limited for period October 4, 1960, to September 25, 1965.
497. Photostatic copy of Barrett, Good-fellow ledger card re: Ann P. Gregory, for period July 10, 1962, to July 17, 1962.
498. Photostatic copy of Barrett, Good-fellow ledger card re: Wilfrid P. Gregory for period July 10, 1962 to July 17, 1962.

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*Description*

499. Photostatic copy of Barrett, Good-fellow ledger card re: Sam Gertel for period August 1, 1962 to October 15, 1964.
500. Photostatic copy of Barrett, Good-fellow ledger card re: Masco Construction Company Limited for period July 16, 1964 to October 1, 1965.
501. Photostatic copy of Barrett, Good-fellow ledger card re: Mavety Film Delivery Limited for period September 24, 1962 to March 26, 1964.
502. Photostatic copy of Barrett, Good-fellow ledger card re: Aubrey Medland for period July 10, 1962 to July 24, 1962.
503. Photostatic copy of Barrett, Good-fellow ledger card re: C. Powell Morgan Account 2, for period October 22, 1964 to January 18, 1965.
504. Photostatic copy of Barrett, Good-fellow ledger card re: C. Powell Morgan for period December 14, 1959 to September 29, 1965.
505. Photostatic copy of Barrett, Good-fellow ledger card re: Mildred L. Morgan for period June 29, 1962 to January 20, 1965.
506. Photostatic copy of Barrett, Good-fellow ledger card re: Mortgage Trust & Savings Corporation (Bahamas) Limited for period October 5, 1964 to December 15, 1964.
507. Photostatic copy of Barrett, Good-fellow ledger card re: Walter Pahn for period December 9, 1964 to September 25, 1965, together with 2 copies of same letter dated February 16, 1965 addressed to Barrett, Good-fellow & Company, one copy signed C. P. Morgan.
508. Photostatic copy of Barrett, Good-fellow ledger card re: N.G.K. Investments Limited for period July 15, 1964 to August 30, 1965.
509. Photostatic copy of Barrett, Good-fellow ledger card re: Royal Bank of Canada, Freeport, Grand Bahama, for period February 12, 1965 to May 19, 1965.
510. Photostatic copy of Barrett, Good-fellow ledger card re: Jack Tramiel, for period March 4, 1964 to June 28, 1965.
511. Photostatic copy of Barrett, Good-fellow ledger card re: Valley Farm and Enterprises Limited for the period July 10, 1962 to May 25, 1965.

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
512.	Photostatic copy of Barrett, Good-fellow ledger card re: Yarrum Investments Limited for period July 31, 1963 to September 25, 1965.	525.	Photostatic copy of Barrett, Good-fellow ledger card re: Commodore Business Machines (Canada) Limited for period November 7, 1962 to October 20, 1964 with copy of a letter attached dated September 14, 1964 addressed to Barrett, Goodfellow & Company.
513.	Photostatic copy of Barrett, Good-fellow ledger card re: J. C. Laidlaw for period July 10, 1962 to December 14, 1964.	526.	Photostatic copy of Barrett, Good-fellow ledger card re: Bankhaus Hugo Oppenheim und Sohn Nachf for period January 7, 1965 to January 26, 1965.
514.	Photostatic copy of Barrett Good-fellow ledger card re: Chartered Management Consultants (of Canada) Limited for period June 29, 1964 to July 7, 1965.	527.	Photostatic copy of Barrett, Good-fellow ledger card re: Donald Wagman for period June 29, 1962 to August 30, 1962.
515.	Photostatic copy of Barrett, Good-fellow ledger card re: Dominion Leaseholds Limited for period April 9, 1965 to April 27, 1965.	528.	Photostatic copy of Barrett, Good-fellow ledger card re: H. Wagman in trust for value date July 16, 1962.
516.	Photostatic copy of Barrett, Good-fellow ledger card re: Daytona Investments Limited for period September 3, 1964 to September 21, 1964.	529.	Photostatic copy of Barrett, Good-fellow ledger card re: Harry Wagman, 111 Richmond Street West, for period July 15, 1964 to August 26, 1964.
517.	Photostatic copy of Barrett, Good-fellow ledger card re: Bankgeschaft Maerklin & Company for period December 6, 1963 to October 5, 1964.	530.	Photostatic copy of Barrett, Good-fellow ledger card re: Harry Wagman, 72 Shallmar Blvd., for period June 29, 1962 to May 15, 1963.
518.	Photostatic copy of Barrett, Good-fellow ledger card re: Bankgeschaft Maerklin & Company (U.S. Dollar account) for period August 6, 1963 to February 5, 1964.	531.	Photostatic copy of Barrett, Good-fellow ledger card re: Stephen Wagman for period June 29, 1962 to August 30, 1962.
519.	Photostatic copy of Barrett, Good-fellow ledger card re: British Mortgage & Trust Company for period July 10, 1962 to July 11, 1962.	532.	Photostatic copy of Barrett, Good-fellow ledger card re: Mrs. Toby Wagman, for period June 29, 1962 to August 30, 1962.
520.	Photostatic copy of Barrett, Good-fellow ledger card re: Campbell Morgan, June 29, 1962 to July 17, 1962.	533.	Photostatic copy of Barrett, Good-fellow ledger card re: Allan Walton, for period June 29, 1962 to August 30, 1962.
521.	Photostatic copy of Barrett, Good-fellow ledger card re: Harry P. Morgan for period June 29, 1962 to July 17, 1962.	534.	Photostatic copy of Barrett, Good-fellow ledger card re: Benjamin Walton for period June 29, 1962 to August 30, 1962.
522.	Photostatic copy of Barrett, Good-fellow ledger card re: Mrs. Ruth Morgan, for period June 29, 1962 to July 18, 1962.	535.	Photostatic copy of Barrett, Good-fellow ledger card re: Mrs. Eunice Walton, for period June 29, 1962 to August 30, 1962.
523.	Photostatic copy of Barrett, Good-fellow ledger card re: Mrs. Sadie N. Morgan, for period June 29, 1962 to July 17, 1962.	536.	Photostatic copy of Barrett, Good-fellow ledger card re: Mrs. Freda Walton, for period June 29, 1962 to August 30, 1962.
524.	Photostatic copy of Barrett, Good-fellow ledger card re: Manhattan Sound Corporation for period December 23, 1964 to February 8, 1965.	537.	Photostatic copy of Barrett, Good-fellow ledger card re: Howard Walton for period June 29, 1962 to August 30, 1962.



<i>Exhibit No.</i>	<i>Description</i>
538.	Photostatic copy of Barrett, Good-fellow ledger card re: Miss Linda Walton, for period June 29, 1962 to August 30, 1962.
539.	Photostatic copy of Barrett, Good-fellow ledger card re: Mr. Melvyn Walton for period June 29, 1962 to August 30, 1962.
540.	Photostatic copy of Barrett, Good-fellow ledger card re: William L. Walton, for period June 29, 1962 to August 30, 1962.
541.	Chart prepared by Mr. Orr showing corporate structure of Atlantic Acceptance Corporation Limited and its subsidiaries as at 17 June 1965.
542.	Condensed balance sheets and income statements on a consolidated basis of Atlantic Acceptance and its subsidiaries from the report made 30th June, 1954 to the audited statement 31 December, 1964.
543.	Chart prepared by Mr. Orr entitled "Atlantic Acceptance Corporation Ltd., the Growth of the Company from Inception to the date of Receivership."
544.	Chart prepared by Mr. Orr illustrating number of branches of Atlantic Acceptance Corporation Limited and Atlantic Finance Corporation Limited, from inception to the date of receivership.
545.	Consolidated unaudited statement dated 17 June, 1965, prepared by Messrs. Deloitte, Plender, Haskins & Sells, of Atlantic Acceptance Corporation Limited.
546.	Consolidated balance sheet as at 17 June, 1965, of Atlantic Acceptance Corporation Limited, in receivership, and subsidiary companies.
547.	Chart prepared by Mr. Orr of loan position of Atlantic Acceptance Corporation Limited as at 17 June, 1965.
548.	Chart prepared by Mr. Orr of loan position of Atlantic Finance Corporation on a larger scale than the information contained on Exhibit 547.
549.	Financial statement of Atlantic Finance Corporation Limited for the year ending 31 December, 1958.
550.	Financial Statement of Atlantic Finance Corporation Limited for the year ending 31 December, 1964, audited by Deloitte, Plender, Haskins & Sells.

<i>Exhibit No.</i>	<i>Description</i>
551.	Unaudited financial statement addressed to Montreal Trust Company relating to Atlantic Finance Corporation Limited as at 17 June, 1965, prepared by Deloitte, Plender, Haskins & Sells.
552.	Chart prepared by Mr. Orr of the loan and investment position of Premier Finance Corporation at June 17, 1965.
553.	Purchase agreement in amount of \$525,000 dated 11 February, 1959, between Clarence F. O'Neill and Atlantic Acceptance Corporation Limited.
554.	Financial statement for the year ending 31 December, 1959, including auditors' report, of The Premier Finance Corporation.
555.	Financial statement for The Premier Finance Corporation Limited as at 31 December, 1963, which is reported upon by E. M. Sprackman, Siderson & Company.
556.	Financial statement for The Premier Finance Corporation Limited, as at 31 December, 1964, prepared by E. M. Sprackman, Siderson & Company.
557.	Financial statement of The Premier Finance Corporation Limited, for the period ending 17 June, 1965, addressed to Montreal Trust Company, Receiver, signed by Deloitte, Plender, Haskins & Sells.
558.	Schedule prepared by Mr. Orr from books of The Premier Finance Corporation Limited showing disbursements and receipts and net position of dealings with Racan Photo-Copy Corporation, for period December, 1961 through April, 1965.
559.	Chart prepared by Mr. Orr of the loan position of Atlantic Acceptance Corporation Limited to Standard Discount Corporation as at 17 June, 1965.
560.	Financial statement of Standard Discount Corporation Limited for the six months ending 31 December, 1961 reported upon by Stone, Conway, Anger & Stone.
561.	Financial statement of Standard Discount for the year ended 31 December, 1964 reported upon by Stone, Conway, Anger & Stone.
562.	Interim balance sheet of Standard Discount as at 17 June, 1965, prepared by Stone, Conway, Anger & Stone.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
563.	Chart prepared by Mr. Orr showing the loan position of Atlantic Acceptance (Toronto) Limited as of 17 June, 1965.	577.	Schedule prepared by Mr. Orr, headed "Commodore Sales Acceptance Limited Condensed Comparative Balance Sheets and Income Statements December 31, 1959 to 1964 and June 17, 1965."
564.	Financial statement of Atlantic Acceptance (Toronto) Limited for the period ending 31 December, 1960, reported upon by Wright, Erickson, Lee & MacDonald.	578.	Schedule prepared by Mr. Orr headed "Commodore Sales Acceptance Limited, History of Accounts Receivable, from Inception in 1959 to June 17, 1965."
565.	Financial statement of Atlantic Acceptance (Toronto) Limited for the period ended 31 December, 1964 prepared by Deloitte, Plender, Haskins & Sells.	579.	Chart prepared by Mr. Orr showing loan position of Commodore Factors Limited at 17 June, 1965.
566.	Financial statement of the period ending 17 June, 1965, of Atlantic Acceptance (Toronto) Limited prepared by Deloitte, Plender, Haskins & Sells.	580.	Commodore Factors Limited condensed comparative balance sheet and income statements for the years 1961 through 1964 and at the year ending 17 June, 1965.
567.	Loan chart prepared by Mr. Orr for Pay As You Study Plan Limited at June 17, 1965.	581.	Commodore Factors Limited — History of accounts receivable from inception in 1961 to June 17, 1965; prepared by Mr. Orr.
568.	Financial statement prepared by Walton, Wagman & Company for Pay As You Study Plan Limited for year ending 31 December, 1962 with comparative figures for 1961.	582.	Chart prepared by Mr. Orr, re: Loan and investment position of Adelaide Acceptance Limited at 17 June, 1965.
569.	Financial statement of Pay As You Study Plan Limited as at 31 December, 1964, reported on by Deloitte, Plender, Haskins & Sells.	583.	Schedule prepared by Mr. Orr, re: Adelaide Acceptance Limited condensed comparative balance sheets and income statements for the year ended 1962 through to 1964 and 17 June, 1965.
570.	Financial statement of Pay As You Study Plan Limited for the period ending 17 June, 1965, prepared by Deloitte, Plender, Haskins & Sells.	584.	Schedule prepared by Mr. Orr re: Adelaide Acceptance Limited — History of accounts receivable from acquisition to 17 June, 1965.
571.	Chart prepared by Mr. Orr of loan position of Concourse Agencies Limited at June 17, 1965.	585.	Chart prepared by Mr. Orr of Aurora Leasing Corporation Limited showing loan, lease and investment position as at 17 June, 1965.
572.	Financial statement of Concourse Agencies for the period ending 17 June, 1965, prepared by Deloitte, Plender, Haskins & Sells.	586.	Aurora Leasing Corporation Limited, condensed comparative balance sheet and income statement from 31 December, 1960, to 1964 and 30 July, 1965; prepared by Mr. Orr.
573.	Chart prepared by Mr. Orr of Commodore Sales Acceptance Limited, loan and investment position at June 17, 1965.	587.	Schedule prepared by Mr. Orr showing history of receivables of Aurora Leasing Corporation Limited from 1960 to July 30, 1965.
574.	Schedule prepared by Mr. Orr of the minority interest in Commodore Sales Acceptance prior to its acquisition by Atlantic Acceptance.	588.	List prepared by Atlantic Acceptance Corporation Limited of short-term maturities as at June 30, 1965 through to December, 1965.
575.	Commodore Sales Acceptance Limited, history of note and debenture transactions from March 6, 1959, per minutes of directors' meetings prepared by Mr. Orr.	589.	List of short-term notes of Atlantic Acceptance Corporation Limited, excluding funds owed to Canadian banks and payable in Canadian dollars, May, 1959 to June 14, 1965.
576.	Schedule prepared by Mr. Orr re: Acquisition of Commodore Sales Acceptance Limited by Atlantic Acceptance Corporation Limited.		



<i>Exhibit No.</i>	<i>Description</i>
590.	List of short-term notes of Atlantic Acceptance Corporation Limited, outstanding at certain month ends including bank loans, December 1963 to June 14, 1965; prepared by Mr. Abell.
591.	Schedule of short-term secured notes outstanding, maturing on demand and maturing June 14 to June 25, 1965, Atlantic Acceptance Corporation Limited.
592.	Photocopy of note of Atlantic Acceptance for \$1,250,000 prepared on 19 November, 1962 to the Toronto-Dominion Bank.
593.	Share certificate book of Aurora Leasing Corporation Limited.
594.	Photocopy of review by Toronto-Dominion Bank of Atlantic Acceptance line of credit commencing 17 May, 1963.
595.	Copy of letter dated December 17, 1962, Toronto-Dominion Bank (Mr. E. Lawrence) to Mr. Morgan, President of Atlantic Acceptance Corporation Limited re: Advances to eight or nine companies.
596.	Copy of letter dated August 8, 1963, from General Manager (per Calvert) to Assistant General Manager, of Toronto-Dominion Bank re: Credit application to be cut to \$3,700,000.
597.	Copy of letter dated August 12, 1963, Assistant General Manager of the Toronto-Dominion Bank to Oakville Branch, Toronto-Dominion Bank re: amount of credit of Atlantic Acceptance.
598.	Copy of report of the Toronto-Dominion Bank dated 14 April, 1965 re: Atlantic Acceptance Corporation Limited, application for a \$5 million line of credit.
599.	Photocopy of liability ledger sheet re: Atlantic Acceptance Corporation Limited of Toronto-Dominion Bank from March, 1964 until June, 1965.
600.	Demand loan cards of Toronto-Dominion Bank re: Atlantic Acceptance Corporation Limited from 28 December, 1964 until 14 October, 1965.
601.	Copy of notes of proceedings of meeting held 14 May, 1965, between officials of the Toronto-Dominion Bank and Atlantic Acceptance Corporation Limited re: line of credit.

<i>Exhibit No.</i>	<i>Description</i>
602.	Photocopy of note dated 9 June, 1965 for \$4 million U.S. from Atlantic Acceptance Corporation Limited to the Toronto-Dominion Bank.
603.	Photocopy of a cheque dated 14 June, 1965, of Atlantic Acceptance Corporation Limited payable to the Royal Securities Corporation Limited, drawn on the Toronto-Dominion Bank, in the amount of \$5,001,900.69, together with attached forms.
604.	Photocopies of ledger cards of Atlantic Acceptance Corporation Limited with the Oakville branch of the Toronto-Dominion Bank dealing with the period from June 14, 1965.
605.	Common share certificate book no. 2 of Aurora Leasing Corporation Limited.
606.	Common share certificate book no. 4 of Aurora Leasing Corporation Limited.
607.	Common share certificate book no. 5 of Aurora Leasing Corporation Limited.
608.	Common share certificate book no. 6 of Aurora Leasing Corporation Limited.
609.	Common share certificate book no. 7 of Aurora Leasing Corporation Limited.
610.	Common share certificate book no. 8 of Aurora Leasing Corporation Limited.
611.	Common share certificate book no. 9 of Aurora Leasing Corporation Limited.
612.	Corporate record book for American Automation (Canada) Limited.
613.	Common share certificate book of American Automation (Canada) Limited.
614.	Common share certificate book no. 1 of American-Marsh Pumps (Canada) Limited.
615.	Common share certificate book no. 2 for American-Marsh Pumps (Canada) Limited.
616.	Common share certificate book no. 1 for Belpree Company Limited.
617.	Common share certificate book no. 2 for Belpree Company Limited.
618.	Minute book of Belpree Company Limited.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
619.	Common share certificate book for Chartered Management Consultants (of Canada) Limited.	640.	Share certificate book no. 1 of Pro Musica Limited containing certificates for common and preferred shares of the company.
620.	Preference share certificate book of Chartered Management Consultants (of Canada) Limited.	641.	Common share certificate book for Pro Musica Limited.
621.	Common share certificate book for Commodore Business Machines (Canada) Limited, Book No. 2.	642.	Common share certificate book for Valley Farm and Enterprises Limited.
622.	Common share certificate book for Commodore Drycopy Limited.	643.	Preferred share certificate book for Valley Farm and Enterprises Limited.
623.	Preference share certificate book for Commodore Drycopy Limited.	644.	Common share certificate book for Manning Discount Sales Limited.
624.	Common share certificate book for Commodore Portable Typewriter Company Limited.	645.	Common share certificate book for Saxon Discount Stores Limited.
625.	Preference share certificate book for Commodore Portable Typewriter Company Limited.	646.	Common share certificate book of Mart Buying Services Limited.
626.	Common share certificate book no. 1 of Easy Start Manufacturing Company Limited and preferred share certificate book no. 1.	647.	Common share certificate book of Spadina Discount Stores Limited.
627.	Common share certificate book of Easy Start Manufacturing Company Limited, Volume 2.	648.	Common share certificate book of Province-Wide Stores Limited.
628.	Minute Book of Fenix Manufacturing Limited.	649.	Common share certificate book of Golburn Discount Sales Limited.
629.	Common share certificate book no. 1 for Fenix Manufacturing Limited.	650.	Common share certificate book of Jumbo Discount Sales Limited.
630.	Common share certificate book no. 2 for Fenix Manufacturing Limited.	651.	Photostat of general ledger of firm of David M. Samuel, May 1, 1962 to January 31, 1966.
631.	Common share certificate book of Fun-A-Marin Limited.	652.	Photostat of general ledger of clients' trust accounts, David Samuel, May 1, 1962 to September 30, 1965.
632.	Preference share certificate book for Fun-A-Marin Limited.	653.	Photostat of general journal of David Samuel for period May 1, 1962 to November 1, 1965.
633.	Common share certificate book for Hebard Holdings Limited.	654.	Photostatic copy of trust cash book of firm of David Samuel, May 1, 1962 to January 31, 1966.
634.	Preference share certificate book for Hebard Holdings Limited.	655.	Photostat of receipts general account ledger of firm of David Samuel, May 1, 1962 to January 31, 1966.
635.	Common share certificate book no. 1 of N.G.K. Investments Limited.	656.	Photostatic copy of general account disbursements ledger, for firm of David Samuel, May 1, 1962 to January 31, 1966.
636.	Common share certificate book no. 2 of N.G.K. Investments Limited.	657.	Photostatic copy of petty cash book of firm of David Samuel, May 1, 1962 to January 31, 1966.
637.	Common share certificate book no. 3 of N.G.K. Investments Limited.	658.	Photostat of fees book of firm of David Samuel, May 1, 1962 to January 31, 1966.
638.	Common share certificate book no. 4 of N.G.K. Investments Limited.		
639.	Common share certificate book for Pearlsound Distributors Limited.		

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
659.	Clients' ledger of firm of David Samuel re: Adelaide Acceptance Limited for period May 1, 1962 forward.	674.	Photostatic copy of clients' ledger for Premiumwares Limited with David Samuel, May 1, 1962 forward.
660.	Photostat of clients' ledger of Atlantic Acceptance Corporation Limited, general account, with David M. Samuel, May 1, 1962 forward.	675.	Photostatic copy of clients' ledger for The Premier Finance Corporation Limited, with David Samuel, May 1, 1962 forward.
661.	Photostat of clients' ledger with David Samuel for Atlantic Acceptance Corporation Limited re: Gilford land, May 1, 1962 forward.	676.	Photostatic copy of clients' ledger of Reliance Cordage with David Samuel, May 1, 1962 forward.
662.	Photostat of clients' ledger with David Samuel for Atlantic Acceptance Corporation Limited re: Gilford purchase of Bigwin Inn.	677.	Photostatic copy of clients' ledger entitled "Don Reid" with David Samuel, May 1, 1962 forward.
663.	Photostat copy of clients' ledger for Aurora Leasing Corporation Limited, with David Samuel, May 1, 1962 forward.	678.	Photostatic copy of clients' ledger entitled "David Samuel In Trust", May 1, 1962 forward.
664.	Photostatic copy of clients' ledger for Blue Spruce Developments, with David Samuel, May 1, 1962 forward.	679.	Photostatic copy of clients' ledger for Standard Discount Corporation Limited with David Samuel, May 1, 1962 forward.
665.	Photostat of clients' ledger for Commodore Factors Limited with David Samuel, May 1, 1962 forward.	680.	Photostatic copy of clients' ledger entitled "Stratton Stevens" with David Samuel, May 1, 1962 forward.
666.	Photostat of clients' ledger for Commodore Sales Acceptance Limited with David Samuel, May 1, 1962 forward.	681.	Photostat of clients' ledger for Tormont Musical Instruments with David Samuel, May 1, 1962 forward.
667.	Photostatic copy of clients' ledger for Corporate Plan Leasing Limited, with David Samuel, May 1, 1962 forward.	682.	Photostatic copy of clients' ledger for Trans Carribean Investments Limited, with David Samuel, May 1, 1962 forward.
668.	Photostat of clients' ledger for Dallas Holdings Limited, with David Samuel May 1, 1962 forward.	683.	Photostatic copy of clients' ledger for Valley Farm and Enterprises with David Samuel, May 1, 1962 forward.
669.	Photostat of clients' ledger for W. C. Dymond with David Samuel, May 1, 1962.	684.	Photostatic copy of clients' ledger of A. G. Woolfrey with David Samuel, May 1, 1962 forward.
670.	Photostat of client's ledger for Fun-A-Marin Limited, with David Samuel, May 1, 1962 forward.	685.	Photostat of general ledger, bank trust account, Solomon & Samuel, July 31, 1959 to April 30, 1962.
671.	Photostatic copy of clients' ledger for General Lawn Spray Limited, with David Samuel, May 1, 1962 forward.	686.	Photostatic copy of general ledger, clients' trust account for firm of Solomon & Samuel, July 31, 1959 to April 30, 1962.
672.	Photostatic copy of clients' ledger for Hilltop Holdings Limited, with David Samuel, May 1, 1962 forward.	687.	Photostatic copy of general ledger, bank U.S. dollar account, Solomon & Samuel, October 31, 1960 to February 28, 1962.
673.	Photostatic copy of clients' ledger for Phantom Industries Limited with David Samuel, May 1, 1962 forward.	688.	Photostatic copy of general ledger, clients' U.S. dollar account, Solomon & Samuel, October 31, 1960 to March 31, 1962.



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
689.	Photostatic copy of journal of Solomon & Samuel, July 1 1959 to April 30, 1962.	704.	File folder (tan) containing documents of Aurora Leasing Corporation Limited, seized from Messrs. Wagman, Fruitman & Lando.
690.	Photostatic copy of trust cash book of Solomon & Samuel, June 17, 1959 to December 4, 1963.	705.	File folder (white) entitled "Bank Positions", containing statements re various companies, seized from Messrs. Wagman, Fruitman & Lando — Re: Aurora, Dallas Holdings, Fun-A-Marin, Gassem, Hilltop Holdings, London Lighthouse, N.G.K. Investments, Treasure Island, Valley Farm and Yarrum Investments.
691.	Photostatic copy of sheets from trust cash book, U.S. dollar account, of Solomon & Samuel.	706.	File folder (orange) containing current documents of Baronet Associates Inc., seized from Messrs. Wagman, Fruitman & Lando.
692.	Original of clients' ledger of the firm of Solomon & Samuel during their period of operations.	707.	File folder (orange) containing current documents of Bond & Cosman Limited, seized from Messrs. Wagman, Fruitman & Lando.
693.	Convertible promissory note certificate book, Aurora Leasing Corporation Limited, Volume 1.	708.	File folder (orange) containing current documents of Canada Motor Products (Blackstone) Limited, seized from Messrs. Wagman, Fruitman & Lando.
694.	Convertible promissory note certificate book, Aurora Leasing Corporation Limited, Volume 2.	709.	File folder (orange) containing current documents of Chartered Management Consultants (of Canada) Limited, seized from Messrs. Wagman, Fruitman & Lando.
695.	Convertible promissory note certificate book, Aurora Leasing Corporation Limited, Volume 3.	710.	File folder (orange) containing current documents of Cimcony of Canada Limited, seized from Messrs. Wagman, Fruitman & Lando.
696.	Convertible promissory note certificate book, Aurora Leasing Corporation Limited, Volume 4.	711.	File folder (orange) containing current documents of Concourse Agencies Limited, seized from Messrs. Wagman, Fruitman & Lando.
697.	File folder (orange) containing current documents of F. C. Adams Limited, seized from Messrs. Wagman, Fruitman & Lando.	712.	File folder (orange) containing current documents of Cotton Jenny Limited, seized from Messrs. Wagman, Fruitman & Lando.
698.	File folder (white) containing documents of F. C. Adams Limited, seized from Messrs. Wagman, Fruitman & Lando.	713.	File folder (orange) containing current documents of Commodore Factors Limited, seized from Messrs. Wagman, Fruitman & Lando.
699.	File folder (orange) containing current documents of Adelaide Acceptance Limited, seized from Messrs. Wagman, Fruitman & Lando.	714.	File folder (orange) containing interim statements of Commodore Sales Acceptance Limited and Commodore Factors Limited, seized from Messrs. Wagman, Fruitman & Lando.
700.	File folder (orange) containing current documents of American-Marsh Pumps (Canada) Limited, seized from Messrs. Wagman, Fruitman & Lando.	715.	File folder (orange) containing interim statements of Commodore Sales Acceptance Limited and Commodore Factors Limited, Volume 2, seized from Messrs. Wagman, Fruitman & Lando.
701.	File folder (orange) containing current documents of American-Marsh Pumps (Canada) Limited, seized from Messrs. Wagman, Fruitman & Lando.		
702.	File folder (orange) containing current documents of Associated Canadian Holdings Limited, seized from Messrs. Wagman, Fruitman & Lando.		
703.	File folder (orange) containing current documents of Aurora Leasing Corporation Limited, seized from Messrs. Wagman, Fruitman & Lando.		

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*Description*

716. File folder (orange) containing current documents of Commodore Sales Acceptance Limited, seized from Messrs. Wagman, Fruitman & Lando.
717. File folder (brown) containing working papers of Dalite Corporation (Canada) Limited, dated 31 December, 1962, seized from Messrs. Wagman, Fruitman & Lando.
718. File folder (orange) containing current documents of Easy Start Manufacturing Company Limited, seized from Messrs. Wagman, Fruitman & Lando.
719. File folder (orange) containing current documents of Frederick's Department Store Limited, seized from Messrs. Wagman, Fruitman & Lando.
720. File folder (orange) containing current documents of Fun-A-Marin Limited, seized from Messrs. Wagman, Fruitman & Lando.
721. File folder (orange) containing documents of A. J. & E. Goldberg Brothers Limited, seized from Messrs. Wagman, Fruitman & Lando.
722. File folder (orange) containing current documents of Gassem Enterprises Limited, seized from Messrs. Wagman, Fruitman & Lando.
723. File folder (orange) containing current documents of Hilltop Holdings Limited, seized from Messrs. Wagman, Fruitman & Lando.
724. File folder (orange) containing current documents of Hugo Oppenheimbank (Canada) Limited, seized from Messrs. Wagman, Fruitman & Lando.
725. File folder (orange) containing current documents of Mart Utilities Limited, seized from Messrs. Wagman, Fruitman & Lando.
726. File folder (orange) containing current documents of Masco Construction Company Limited, seized from Messrs. Wagman, Fruitman & Lando.
727. File folder (orange) containing current interim statements of Mavety Film Delivery Limited, seized from Messrs. Wagman, Fruitman & Lando.
728. File folder (orange) containing current documents of Mavety Film Delivery Service, seized from Messrs. Wagman, Fruitman & Lando.
729. File folder (orange) containing current documents of Modern Hospital Equipment Design Co. Ltd., seized from Messrs. Wagman, Fruitman & Lando.

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*Description*

730. File folder (orange) containing current documents of N.G.K. Investments Limited, seized from Messrs. Wagman, Fruitman & Lando.
731. File folder (orange) containing current documents of Old Angelo's Restaurant Limited, seized from Messrs. Wagman, Fruitman & Lando.
732. File folder (orange) containing current documents of Old Angelo's Restaurant Limited, seized from Messrs. Wagman, Fruitman & Lando.
733. File folder (orange) containing current documents of Pay As You Study Plan Limited, seized from Messrs. Wagman, Fruitman & Lando.
734. File folder (orange) containing current documents of Pearlsound Distributors, seized from Messrs. Wagman, Fruitman & Lando.
735. File folder (orange) containing current documents of Pro Musica Limited, seized from Messrs. Wagman, Fruitman & Lando.
736. File folder (orange) containing documents of Sprayfoil Corporation, seized from Messrs. Wagman, Fruitman & Lando.
737. File folder (beige) containing daily memos of Sprayfoil Corporation and General Spray Service, Inc., seized from Messrs. Wagman, Fruitman & Lando.
738. Group of papers marked: "Sprayfoil Corporation December 31, 1963", seized from Messrs. Wagman, Fruitman & Lando.
739. File folder (beige) containing documents of Sprayfoil Corporation for 1964, seized from Messrs. Wagman, Fruitman & Lando.
740. File folder (beige) containing working papers of Sprayfoil Corporation for the year ended April 30, 1963, seized from Messrs. Wagman, Fruitman & Lando.
741. File folder (orange) containing current documents of Sprayfoil Corporation, seized from Messrs. Wagman, Fruitman & Lando.
742. File folder (orange) containing current documents of Trans Carribean Investments Limited, seized from Messrs. Wagman, Fruitman & Lando.
743. File folder (orange) containing current documents of Trans Commercial Acceptance Limited, seized from Messrs. Wagman, Fruitman & Lando.



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
744.	File folder (orange) containing current documents of Treasure Island Gardens Limited, seized from Messrs. Wagman, Fruitman & Lando.	755.	Group of papers containing general ledger of Chartered Management Consultants (of Canada) Limited in loose form, two T-5 slips for years 1963 and 1964, and working papers being records of Chartered Management Consultants (of Canada) Limited, seized from Messrs. Wagman, Fruitman & Lando.
745.	File folder (orange) containing current documents of Valley Farm and Enterprises Limited, seized from Messrs. Wagman, Fruitman & Lando.	756.	Specimen signature card for N.G.K. Investments Limited dated 23 March, 1961, signed by C. P. Morgan as president, and C. G. King as secretary-treasurer for account no. 15171 at the Guaranty Trust Company of Canada.
746.	File folder (orange) containing documents of Yarrum Investments Limited, seized from Messrs. Wagman, Fruitman & Lando.	757.	Three documents, certification of the officers of N.G.K. Investments Limited, resolution of board of directors of N.G.K. Investments Limited authorizing president and/or secretary-treasurer to sign bills of exchange, waiver of protest, dated 23 March, 1961.
747.	File folder (orange) containing current documents of Zeus Automotive Armature Rewinding Company, seized from Messrs. Wagman, Fruitman & Lando.	758.	Bundle of ledger cards for account no. 15171, N.G.K. Investments Limited, at the Guaranty Trust Company of Canada.
748.	Canadian Imperial Bank of Commerce cheque book for account no. 14513, Hilltop Holdings Limited, from January 11, 1963, seized from Messrs. Wagman, Fruitman & Lando.	759.	Deposit slips for account no. 15171 of N.G.K. Investments Limited for the period 5 April, 1961, to 3 May, 1965, at the Guaranty Trust Company of Canada.
749.	18 bank statements with enclosed cancelled debit and credit vouchers for Hilltop Holdings Limited at Canadian Imperial Bank of Commerce, seized from Messrs. Wagman, Fruitman & Lando.	760.	Specimen signature card for account no. 9771 in the name of Walton, Wagman & Company, in trust at the Guaranty Trust Company of Canada, signed by William L. Walton, Harry Wagman and William Wagman.
750.	Bank of Nova Scotia current account cheque book numbered 496618, Toronto Branch, seized from Messrs. Wagman, Fruitman & Lando.	761.	Card with reference to account no. 9771 in the name of Walton, Wagman & Company, in trust, which is a receipt for debit vouchers received by holders of this account from the Guaranty Trust Company, for the period 31 July, 1964 to 31 July, 1965.
751.	Canadian Imperial Bank of Commerce duplicate deposit book of Chartered Management Consultants (of Canada) Limited, marked "Code No. 330-600, 30 April, 1963, to April 30, 1964", seized from Messrs. Wagman, Fruitman & Lando.	762.	Direction to Guaranty Trust Company dated 20 November, 1963, signed by H. Wagman, directing this company to mail the debit vouchers to the holders of this account, Walton, Wagman & Company.
752.	Canadian Imperial Bank of Commerce duplicate deposit book of Chartered Management Consultants (of Canada) Limited, marked: "Code No. 330-600, May 1, 1964, March 22, 1965", seized from Messrs. Wagman, Fruitman & Lando.	763.	Form of agreement dated August 8, 1957 executed by William L. Walton, Harry Wagman and William Wagman with the Guaranty Trust Company of Canada.
753.	Group of monthly bank statements and cancelled cheques for Chartered Management Consultants (of Canada) Limited, seized from Messrs. Wagman, Fruitman & Lando.		
754.	Cheque book of Canadian Imperial Bank of Commerce marked: "Chartered Management Consultants (of Canada) Limited", from cheque no. 60 through to cheque no. 242 with attached miscellaneous writings, memoranda, invoices, seized from Messrs. Wagman, Fruitman & Lando.		

<i>Exhibit No.</i>	<i>Description</i>
764.	Bundle of original savings ledger cards at Guaranty Trust Company for account no. 971 Walton, Wagman and Company, in trust, 16 December, 1958 to 31 January, 1965.
765.	Bundle of credit vouchers for account no. 9771, Guaranty Trust Company, 27 January, 1959 to 28 December, 1964.
766.	Specimen signature card for account no. 13955, William L. Walton, at Guaranty Trust Company.
767.	Six original savings ledger cards and one photostat for account no. 13955, Guaranty Trust Company, January 20, 1960 to December 31, 1965.
768.	Original credit vouchers, account no. 13955, Guaranty Trust Company, January 19, 1960 to February 5, 1965.
769.	Original debit vouchers for account no. 13955, Guaranty Trust Company, March 5, 1960 to September 24, 1965.
770.	Photostat of contract re: safety deposit box 1222 in the name of Harry Wagman and Mrs. Toby Wagman at the Guaranty Trust Company of Canada.
771.	Photostat of memorandum re: lack of accessory's signature safety deposit box 1222, in name of Harry Wagman and Mrs. Toby Wagman.
772.	Access record re: safety deposit box 1222, Guaranty Trust Company of Canada.
773.	Photostat of contract dated December 17, 1959, signed by William Wagman and Harry Wagman re: safety deposit box 1769, Guaranty Trust Company of Canada in name of Walton, Wagman and Company.
774.	Photostat of access record re: safety deposit box No. 1769 at Guaranty Trust Company of Canada, in name of Walton, Wagman and Company.
775.	Photostat of contract signed by C. P. Morgan re: safety deposit box no. 1908 at Guaranty Trust Company of Canada, in name of Atlantic Acceptance Corporation Limited.
776.	Photostat of later contract dated April 13, 1964, signed by C. P. Morgan re: safety deposit box no. 1908 at Guaranty Trust Company of Canada, in name of Atlantic Acceptance Corporation Limited.

<i>Exhibit No.</i>	<i>Description</i>
777.	Photostat of access records to safety deposit box no. 1908 at Guaranty Trust Company of Canada, in name of Atlantic Acceptance Corporation Limited.
778.	Photostat of contract dated February 10, 1960, signed by William L. Walton re: safety deposit box no. 1025 at Guaranty Trust Company of Canada in the name of William L. Walton.
779.	Photostat of access records re: safety deposit box 1025 at Guaranty Trust Company in the name of William L. Walton.
780.	Trust indenture, providing for issuance of subordinated notes made between Atlantic Acceptance Corporation Limited and Montreal Trust Company, dated 1 June, 1963.
781.	Demand on default to Atlantic Acceptance Corporation Limited dated 16 June, 1956, re: senior notes signed by Montreal Trust Company relating to deed of trust dated 1 February, 1961.
782.	Demand on default to Atlantic Acceptance Corporation Limited re: subordinated notes signed by Montreal Trust Company relating to deed of trust dated 1 June, 1963.
783.	Demand on default to Atlantic Acceptance Corporation Limited re: junior subordinated notes, signed by Montreal Trust Company relating to deed of trust dated 15 July, 1964.
784.	True copy of Order of Mr. Justice Parker, dated 17 June, 1965, between Montreal Trust Company and Atlantic Acceptance Corporation Limited.
785.	Report dated 14 July, 1965, of G.A.C. International Acceptance Corporation Limited to Montreal Trust Company re: Atlantic Acceptance Corporation Limited et al.
786.	Report entitled "Atlantic Acceptance Corporation Limited, Report of the Receiver and Manager," dated 18 August, 1965, signed by the Montreal Trust Company per J. G. Haxton, Vice-President.
787.	Estimate of loss and recoveries of Atlantic Acceptance Corporation Limited prepared by Mr. Haxton dated 10 March, 1966.
788.	Specimen signature card for account of Harvey Cooper no. 15924 at the Guaranty Trust Company of Canada, dated 19 December, 1961.

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
789.	Eight ledger cards covering the period 20 December, 1961 to 20 April, 1965 for the account of Harvey Cooper, no. 15924 at Guaranty Trust Company.	799.	Deposit book re: account no. 13324, Guaranty Trust Company, in name of William L. Walton and Harry Wagman, seized from the offices of Harry Wagman, December 11, 1963.
790.	Ten credit vouchers covering the period 10 December, 1961, to 7 November, 1962 for account of Harvey Cooper, no. 15924 at Guaranty Trust Company.	800.	Second deposit book re: account no. 13324 at Guaranty Trust Company in the name of William L. Walton and Harry Wagman, seized from offices of Harry Wagman, December 11, 1963.
791.	Ten debit vouchers covering the period 13 April, 1962, to 7 November, 1962, for the account of Harvey Cooper, no. 15924 at Guaranty Trust Company.	801.	Certified cheque dated 13 October, 1960, \$16,666.67 signed "William L. Walton Joint Account", drawn on account no. 13324, the payee being Carl M. Solomon, in trust, together with cheque certification entry for the cheque, seized from the office of Harry Wagman, December 11, 1963.
792.	Purchase agreement in letter form addressed to H. Cooper and signed by L. Murray Eades dated March 5, 1962 re: purchase of all issued and outstanding shares of Crest Acceptance Corporation Limited.	802.	Cheque no. 94, dated 10 July, 1961, for \$4,060 U.S. drawn on account no. 13324 payable to Central National Bank of Cleveland signed by H. Wagman and seized from the office of Harry Wagman, December 11, 1963.
793.	Purchase agreement in letter form dated March 6, 1962 addressed to L. Murray Eades and signed by C. P. Morgan for Atlantic Acceptance Corporation Limited re: purchase of all issued and outstanding common and preference shares of Crest Acceptance Corporation Limited.	803.	Cheque no. 72 drawn on Guaranty Trust Company account no. 13324 payable to C. M. Solomon, in trust, for \$7,000 dated 13 January, 1961, signed by H. Wagman and seized from the office of Harry Wagman, December 11, 1963.
794.	Cheque for \$27,000 dated 8 March, 1962, made by Atlantic Acceptance Corporation Limited drawn on the Toronto-Dominion Bank, Oakville, payable to L. M. Eades, re: payment of shares of Crest Acceptance.	804.	Cheque no. 69 drawn on Guaranty Trust Company account no. 13324 dated 30 December, 1960, for \$48,437.57 payable to Aurora Leasing Corporation Limited, signed by H. Wagman and seized from the office of Harry Wagman, December 11, 1963.
795.	Trust agreement between Mr. Eades and Mr. Walton, signed by both parties, dated 8 March, 1962 re: purchase of shares of Crest Acceptance Corporation Limited.	805.	Cheque book stubs from account no. 13324, Guaranty Trust Company and enclosures, seized from the office of Harry Wagman, December 11, 1963.
796.	Letter dated 8 March, 1962, William L. Walton to L. M. Eades, containing instructions re: sale of shares of Crest Acceptance Corporation Limited to Atlantic Acceptance Corporation Limited.	806.	Cheque book for account no. 13324 of Guaranty Trust Company marked "Trio" on outside, seized from the office of Harry Wagman, December 11, 1963.
797.	Cheque for \$27,000 dated 9 March, 1962, L. M. Eades to W. L. Walton, drawn on the Toronto-Dominion Bank re: proceeds of sale of shares of Crest Acceptance Corporation Limited.	807.	Red pass book re: account no. 13324 of Guaranty Trust Company, seized from the office of Harry Wagman, December 11, 1963.
798.	Cancelled cheque for \$661.50 dated 19 April, 1962, Chartered Management Consultants (of Canada) Limited to L. M. Eades drawn on the Canadian Imperial Bank of Commerce.	808.	Five savings ledger cards, account no. 13324 at Guaranty Trust Company of Canada.



<i>Exhibit No.</i>	<i>Description</i>
809.	Credit vouchers, June 2, 1959 to November 29, 1963, re: account no. 13324 at Guaranty Trust Company.
810.	Debit vouchers re: account no. 13324 at Guaranty Trust Company, June 30, 1959 to December 10, 1962.
811.	Ledger cards reconstructed by Mr. Dunlop re: account no. 13324 at Guaranty Trust Company for period not covered by Exhibit No. 808.
812.	File and contents marked "American Automation (Canada) Limited — Purchase of Assets from Sterling Precision Corporation Limited re American La France" from offices of Solomon, Singer & Solway.
813.	File and contents marked "American Automation (Canada) Limited Incorporation" from offices of Solomon, Singer & Solway.
814.	File and contents labelled "American Marsh Leasing Company Limited, General File", from offices of Solomon, Singer & Solway.
815.	File and contents labelled "American Marsh Pumps (Canada) Limited, re: General No. 1059", from offices of Solomon, Singer & Solway.
816.	File and contents labelled "American Marsh Pumps (Canada) Limited, Lease Form No. 801", from the offices of Solomon, Singer & Solway.
817.	File and contents labelled "American Marsh Pumps (Canada) Limited, Application for Supplementary Letters Patent", from the offices of Solomon, Singer & Solway.
818.	File and contents labelled "Analogue Controls Inc., purchase of Sterilab Limited, No. 3185", from the offices of Solomon, Singer & Solway.
819.	File and contents labelled "Analogue Controls Incorporated, No. 2126, re: Employment and Option Agreement", from the offices of Solomon, Singer & Solway.
820.	File and contents labelled "Arcan Corporation, re: opinion G. Groshup", from the offices of Solomon, Singer & Solway.
821.	File and contents labelled "Associated Canadian Holdings Limited, No. 2711, re: floating of Lucayan Beach Hotel Company Limited Stock", from the offices of Solomon, Singer & Solway.

<i>Exhibit No.</i>	<i>Description</i>
822.	File and contents labelled "Associated Canadian Holdings Limited, No. 3052, Sale of Shares of Trans Commercial to Hugo Oppenheimbank (Canada) Limited", from the offices of Solomon, Singer & Solway.
823.	File and contents labelled "Associated Canadian Holdings Limited, Incorporation, No. 235A", from the offices of Solomon, Singer & Solway.
824.	File and contents labelled "Associated Canadian Holdings Limited, No. 2371, Sale of Shares of Five Wheels Limited", from the offices of Solomon, Singer & Solway.
825.	File and contents labelled "Associated Canadian Holdings Limited, No. 2933, re: purchase of \$150,000 Debenture from Dale Estates Limited", from the offices of Solomon, Singer & Solway.
826.	File and contents labelled "Associated Canadian Holdings Limited, No. 2624, re: proposed purchase of American Real Estate", from the offices of Solomon, Singer & Solway.
827.	File and contents labelled "Atlantic Acceptance Corporation Limited, No. 216, re: American-Marsh Pumps Lease Back arrangements", from the offices of Solomon, Singer & Solway.
828.	File and contents labelled "Atlantic Acceptance Corporation Limited, No. 2403, Loan to Argus Steel Corporation Limited, Belfield", from the offices of Solomon, Singer & Solway.
829.	File and contents labelled "Atlantic Acceptance Corporation Limited, Loan to Argus Steel Corporation, No. 2432, File No. 2 Indus", from the offices of Solomon, Singer & Solway.
830.	File and contents labelled "Atlantic Acceptance Corporation Limited, Loan to Argus Steel Construction & Goodchild, No. 2433, File No. 3", from the offices of Solomon, Singer & Solway.
831.	File and contents labelled "Atlantic Acceptance Corporation Limited, re: Loan No. 4 to Argus Construction and Hi-Homes Limited", from the offices of Solomon, Singer & Solway.
832.	File and contents labelled "Atlantic Acceptance Corporation Limited, No. 2508, Loan No. 5 to Argus Steel", from the offices of Solomon, Singer & Solway.

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
833.	File and contents labelled "Atlantic Acceptance Corporation Limited, Loan No. 7 to Argus Steel", from the offices of Solomon, Singer & Solway.	845.	File and contents labelled "Aurora Leasing Corporation Limited, No. 631, Company General File", from the offices of Solomon, Singer & Solway.
834.	File and contents labelled "Atlantic Acceptance Corporation, No. 463, re: John Belli Operations Limited, Chattel Mortgage", from the offices of Solomon, Singer & Solway.	846.	File and contents labelled "Aurora Leasing Corporation Limited, No. 802, Loan No. 1, re: Loan to Camerina Petroleum Limited", from the offices of Solomon, Singer & Solway.
835.	File and contents labelled "Atlantic Acceptance Corporation Limited, No. 791, Assignment of Mortgage to Hilltop Holdings Limited", from the offices of Solomon, Singer & Solway.	847.	File and contents labelled "Aurora Leasing Corporation Limited, No. 2074, Chattel Mortgage Loan to D. H. I. Limited", from the offices of Solomon, Singer & Solway.
836.	File and contents labelled "Atlantic Acceptance Corporation Limited, No. 520, Kipling Industrial Equipment Limited and Moreman Marine", from the offices of Solomon, Singer & Solway.	848.	File and contents labelled "Aurora Leasing Corporation Limited, No. 917, Loan to Home Smith Properties Limited", from the offices of Solomon, Singer & Solway.
837.	File and contents labelled "Atlantic Acceptance Corporation Limited, No. 565, General", from the offices of Solomon, Singer & Solway.	849.	File and contents labelled "Aurora Leasing Corporation Limited, No. 1032, purchase from British Mortgage & Trust Company, Zhelka Mortgage", from the offices of Solomon, Singer & Solway.
838.	File and contents labelled "Atlantic Acceptance Corporation Limited, No. 2461, re: opinion on description of cattle", from the offices of Solomon, Singer & Solway.	850.	File and contents labelled "Aurora Leasing Corporation Limited, No. 2405, Loan to Ottawa Valley Amusements", from the offices of Solomon, Singer & Solway.
839.	File and contents labelled "Aurora Leasing Corporation Limited, No. 713, Chattel Mortgage Loan to G.B.S. Barbecues Limited", from the offices of Solomon, Singer & Solway.	851.	File and contents labeled "Aurora Leasing Corporation Limited, No. 2241, re: Solomon, C. M., Trustee for British Mortgage & Trust Corporation", from the offices of Solomon, Singer & Solway.
840.	File and contents labelled "Aurora Leasing Corporation Limited, No. 573, re: G.B.S. Barbecues Limited", from the offices of Solomon, Singer & Solway.	852.	File and contents labelled "Aurora Leasing Corporation Limited, No. 2324, Appointment of Transfer Agent", from the offices of Solomon, Singer & Solway.
841.	File and contents labelled "Aurora Leasing Corporation Limited, re application for Licence in Mortmain, No. 2571", from the offices of Solomon, Singer & Solway.	853.	File and contents labelled "Aurora Leasing Corporation Limited, No. 916-B, re: Loan to Messrs. Meckler & Lazar", from the offices of Solomon, Singer & Solway.
842.	File and contents labelled "Aurora Leasing Corporation, 953, Loan to Camerina Petroleum Corporation, Loan No. 2", from the offices of Solomon, Singer & Solway.	854.	File and contents labelled "Aurora Leasing Corporation Limited, No. 2223, re: Rights", from the offices of Solomon, Singer & Solway.
843.	File and contents labelled "Aurora Leasing Corporation Limited, No. 600, re: Purchase Assets Valley Music Company Limited", from the offices of Solomon, Singer & Solway.	855.	File and contents labelled "Aurora Leasing Corporation Limited, No. 794, General and Miscellaneous Matters", from the offices of Solomon, Singer & Solway.
844.	File and contents labelled "Aurora Leasing Corporation, No. 601, re: sale of equipment of Corporate Plan Leasing Limited", from the offices of Solomon, Singer & Solway.		



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
856.	File and contents labelled "Belpree Company Limited, No. 2649, Miscellaneous", from the offices of Solomon, Singer & Solway.	868.	Handwritten document headed "Account of Three" seized from the office of Harry Wagman on 11 December, 1963.
857.	File and contents labelled "Chartered Management Consultants (of Canada) Limited, No. 819, Incorporation", from the offices of Solomon, Singer & Solway.	869.	Letter dated 14 November, 1960 from Solomon & Samuel to Walton, Wagman & Company re: Aurora Leasing Corporation Limited, credit deposits seized from the offices of Walton Wagman & Company, 11 December, 1963.
858.	File and contents labelled "Commodore Business Machines (Canada) Limited, No. 2220, re: Solomon Escrowed Stock", from the offices of Solomon, Singer & Solway.	870.	Handwritten working papers re: Aurora Leasing Corporation Limited as at December 31, 1960, seized from the offices of Walton, Wagman & Company, 11 December, 1963.
859.	File and contents labelled "Commodore Business Machines (Canada) Limited, No. 2313, 7 per cent Sinking Fund Debentures", from the offices of Solomon, Singer & Solway.	871.	Ten cheques of Aurora Leasing Corporation Limited drawn on Bank of Montreal for the period January 23, 1961 to January 31, 1961, seized from offices of Walton, Wagman & Company, 11 December, 1963.
860.	23 documents seized December 11, 1963, from the residence of William L. Walton, 33 Hilltop Road, Toronto.	872.	Thirteen cheques bearing numbers 55 to 67 inclusive of Aurora Leasing Corporation Limited dated 31 March, 1961 drawn on the Bank of Montreal, seized from the offices of Walton, Wagman & Company, 11 December, 1963.
861.	Two documents identified by Harry Wagman as being in the handwriting of William L. Walton, seized in the office of Harry Wagman, 11 December, 1963.	873.	Twenty-seven cheques bearing numbers 110 to 136 inclusive of Aurora Leasing Corporation Limited dated 31 July, 1961 drawn on the Bank of Montreal, seized from the offices of Walton, Wagman & Company, 11 December, 1963.
862.	Brief case containing miscellaneous documents seized 11 December, 1963, from the office of Harry Wagman.	874.	Handwritten document seized from the office of Harry Wagman on 11 December, 1963.
863.	Photostat of Statement of Investments as at August 31, 1962, of C. P. Morgan, W. L. Walton, and H. Wagman from Exhibit No. 862.	875.	Five pages of handwritten documents seized from the office of Harry Wagman, 11 December, 1963.
864.	Three handwritten pages of working papers seized from the office of Harry Wagman on 11 December, 1963.	876.	Cheque of Aurora Leasing Corporation Limited, No. 95, drawn on Bank of Montreal dated 26 May, 1961, for \$38,000, payable to William L. Walton in trust, seized from the offices of Walton, Wagman & Company.
865.	Cheque of Aurora Leasing Corporation Limited, No. 12, dated 17 December, 1960 in the amount of \$27,476.42 to the order of C. M. Solomon, in trust, seized from the office of Walton, Wagman & Company on 11 December, 1963.	877.	Statement of account dated February 8, 1961 on letterhead of Solomon & Samuel to Aurora Leasing Corporation Limited for professional services rendered re: purchase of assets, Valley Music Company Limited, seized from the offices of Walton, Wagman & Company, 11 December, 1963.
866.	Cheque of Aurora Leasing Corporation No. 18 dated 27 December, 1960, in the amount of \$23,420 payable to C. M. Solomon, in trust, seized from the offices of Walton, Wagman & Company on 11 December, 1963.		
867.	Single page statement seized from the office of Harry Wagman on 11 December, 1963, being one of the records of Aurora Leasing Corporation Limited.		

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
878.	Two-page letter to Aurora Leasing Corporation Limited on the letterhead of Solomon & Samuel signed by Carl M. Solomon, dated April 4, 1961, re: convertible promissory noteholders of Aurora Leasing Corporation Limited, seized from the offices of Walton, Wagman & Company, 11 December, 1963.	888.	File and contents labelled "Commodore Business Machines (Canada) Limited, re: consents of Debenture Holders", from office of Solomon, Singer & Solway.
879.	File and contents labelled "Commodore Business Machines (Canada) Limited re: amendment of Escrow Agreement, No. 2198", from office of Solomon, Singer & Solway.	889.	File and contents labelled "Commodore Business Machines (Canada) Limited, purchase of Associated Tool & Manufacturing Limited and Belpree Company Limited, and Option to Purchase Shares of Racan Photocopy Corporation Limited, final executed documents", from office of Solomon, Singer & Solway.
880.	File and contents labelled "Commodore Business Machines (Canada) Limited, No. 963B, re: Eastern Trust Company", from the office of Solomon, Singer & Solway.	890.	File and contents labelled "Commodore Business Machines (Canada) Limited, re: Racan Photo-Copy Corporation Limited, draft Agreements only, No. 2604", from office of Solomon, Singer & Solway.
881.	File and contents labelled "Commodore Business Machines (Canada) Limited, No. 963, re: Prospectus", from office of Solomon, Singer & Solway.	891.	File and contents marked "Commodore Factors Limited, No. 2542, re: American Automation (Canada) Limited", from office of Solomon, Singer and Solway.
882.	File and contents labelled "Commodore Business Machines and Hugo Oppenheim (Berlin) Bank, re: Underwriting Agreement No. 2925", from the office of Solomon, Singer & Solway.	892.	File and contents labelled "Commodore Factors Limited, No. 2149, Stock Option from General Spray Services Inc.", from office of Solomon, Singer & Solway.
883.	File and contents labelled "Commodore Business Machines (Canada) Limited, purchase of additional Shares of Analogue Controls Inc., No. 2465", from the office of Solomon, Singer & Solway.	893.	File and contents labelled "Commodore Factors Limited, No. 916A, Loan to Jacroy Company", from office of Solomon, Singer & Solway.
884.	File and contents labelled "Commodore Business Machines (Canada) Limited, re: Loan from Franklin National Bank of Long Island, No. 2504", from office of Solomon, Singer & Solway.	894.	File and contents labelled "Commodore Drycopy Limited, No. 2143, miscellaneous", from office of Solomon, Singer & Solway.
885.	File and contents labelled "Commodore Business Machines (Canada) Limited, No. 3082, purchase of Shares of Humber Typewriters and Business Equipment Limited from Evermac Office Equipment Company Limited", from office of Solomon, Singer & Solway.	895.	File and contents labelled "Commodore Drycopy Limited, No. 2034, Incorporation", from office of Solomon, Singer & Solway.
886.	File and contents labelled "Commodore Business Machines (Canada) Limited, No. 3279, Globe & Mail and Analogue Controls", from office of Solomon, Singer & Solway.	896.	File and contents labelled "Commodore Portable Typewriter Company Limited, No. 749, re: purchase of Shares from George Purvin", from office of Solomon, Singer & Solway.
887.	File and contents labelled "Commodore Business Machines (Canada) Limited, No. 3232, purchase of Pearlsound Distributors", from office of Solomon, Singer & Solway.	897.	File and contents labelled "Commodore Sales Acceptance Limited, No. 49, re: Mortgage, American-Marsh Pumps", from office of Solomon, Singer & Solway.
		898.	File and contents labelled "Commodore Sales Acceptance Limited, No. 709, First Floating Charge from American-Marsh Pumps (Canada) Limited", from office of Solomon, Singer & Solway.

<i>Exhibit No.</i>	<i>Description</i>
899.	File and contents labelled "Commodore Sales Acceptance Limited re: American-Marsh Pumps (Canada) Limited, Assignment of Book Debts No. 2463", from office of Solomon, Singer & Solway.
900.	File and contents labelled "Commodore Sales Acceptance Limited, No. 1014, re: General Assignment of Book Debts from Aurora Leasing Corporation Limited", from the office of Solomon, Singer & Solway.
901.	Folder and contents labelled "Commodore Sales Acceptance Limited, No. 1002, First Floating Charge from Bond & Cosman Limited", from office of Solomon, Singer & Solway.
902.	Folder and contents labelled "Commodore Sales Acceptance Limited, No. 757, Canada Motor Products Limited and I. Morris Gringorton", from office of Solomon, Singer & Solway.
903.	File and contents labelled "Commodore Sales Acceptance Limited, No. 2277, re: Cotton Jenny Limited", from office of Solomon, Singer & Solway.
904.	File and contents labelled "Commodore Sales Acceptance Limited, No. 982, Loan to Dalite Corporation (Canada) Limited", from office of Solomon, Singer & Solway.
905.	File and contents labelled "Commodore Sales Acceptance Limited, No. 2264, First Floating Charge from D.H.I. Limited", from office of Solomon, Singer & Solway.
906.	File and contents labelled "Commodore Sales Acceptance Limited, No. 2133, re: Mortgage Seven Crown Motel", from office of Solomon Singer & Solway.
907.	File and contents labelled "Commodore Sales Acceptance Limited, No. 588, Mortgage Loan to Pro Musica Limited", from office of Solomon Singer & Solway.
908.	File and contents labelled "Commodore Sales Acceptance Limited No. 2216, Floating Charge from Pro Musica Limited", from office of Solomon, Singer & Solway.
909.	File and contents labelled "Commodore Sales Acceptance Limited, No. 2713, re: Mortgage from Pro Musica Limited, 152 Pearl Street", from office of Solomon, Singer & Solway.

<i>Exhibit No.</i>	<i>Description</i>
910.	File and contents labelled "Commodore Sales Acceptance Limited, No. 2086, re: Pro Musica Limited Foreclosure", from office of Solomon, Singer & Solway.
911.	File and contents labelled "Commodore Sales Acceptance Limited, No. 916, Loan to Jacroy Company", from office of Solomon, Singer & Solway.
912.	File and contents labelled "Commodore Business Machines (Canada) Limited, No. 3375, Loan from Jaypen Holdings Limited", from office of Solomon, Singer & Solway.
913.	File and contents labelled "Commodore Business Machines (Canada) Limited, No. 2160, Miscellaneous", from office of Solomon, Singer & Solway.
914.	File and contents labelled "Commodore Business Machines (Canada) Limited, No. 2657, re: Challenger Steel Products Corporation", from office of Solomon, Singer & Solway.
915.	File and contents labelled "Commodore Business Machines (Canada) Limited, No. 2950, Purchase R. C. Allen", from office of Solomon, Singer & Solway.
916.	File and contents labelled "Commodore Business Machines (Canada) Limited, No. 2622, Ace Industries Limited", from office of Solomon, Singer & Solway.
917.	File and contents labelled "Pearl-sound Distributors Limited, No. 781, re: Incorporation", from office of Solomon, Singer & Solway.
918.	File and contents labelled "Pearl-sound Distributors Limited, No. 2070, Purchase Shares Humber Typewriters & Business Equipment Limited", from office of Solomon, Singer & Solway.
919.	File and contents labelled "Pearl-sound Distributors Limited, No. 3081, sale of Shares of Humber Typewriters & Business Equipment Limited to Evermac Office Equipment Company Limited", from office of Solomon, Singer & Solway.
920.	File and contents labelled "Mavety Film Delivery Limited, No. 604, re: General and Miscellaneous Corporate Matters", from office of Solomon, Singer & Solway.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
921.	Cheque dated 17 January, 1961, payable to the Guaranty Trust Company of Canada, in the amount of \$40,540.65, drawn on account no. 13324, seized from the offices of Walton, Wagman & Company on 11 December, 1963.	931.	Six cheques drawn by Messrs. Solomon & Samuel on the Canadian Bank of Commerce, City Hall Branch, payable to Morton W. Rashkis, re: purchase of shares of Aurora Leasing Corporation Limited.
922.	Schedule prepared by Mr. Austin of owners of shares of Aurora Leasing Corporation Limited as at 30 September, 1960.	932.	Cheque dated 14 October, 1960, from Commodore Sales Acceptance payable to C. M. Solomon in trust for \$100,000 in U.S. funds, re: payment of debts of Aurora Leasing Corporation Limited.
923.	Agreement dated 30 September, 1960, between J. George Meckler and M. J. Lazar, as vendors, C. Powell Morgan, as purchaser, and Aurora Leasing Corporation Limited, called the company, re: sale of 2,770 common shares of Aurora Leasing Corporation Limited.	933.	Cheque dated 10 October, 1960, signed by C. P. Morgan, payable to Carl Solomon in trust for an amount of \$8,333.33.
924.	Document entitled "Direction", dated 30 September, 1960, signed C. P. Morgan, addressed to Aurora Leasing Corporation Limited and to board of directors thereof, and Mr. Daniel A. Lang, re: transfer of 2,770 common shares of Aurora Leasing Corporation Limited, to Carl M. Solomon.	934.	Cheque dated 29 November, 1960, drawn by Messrs. Solomon & Samuel payable to Messrs. Smith, Winston, Wolman, Roth & Smith, in the amount of \$4,211.13.
925.	Cancelled cheque drawn upon the Canadian Bank of Commerce, Toronto, dated 16 October, 1960, payable to J. G. Meckler and M. J. Lazar for \$50,000 made by Solomon & Samuel.	935.	Cheque made by Messrs. Solomon & Samuel, dated 12 December, 1960, payable to Lang, Michener & Cranston, in the amount of \$1,237.30.
926.	Agreement dated 14 October 1960, between Aurora Leasing Corporation Limited, as vendor and Corporate Plan Leasing Limited as purchaser re: sale of assets of Aurora.	936.	Cheque payable to Rosenberg, Smith, Walsh & Kroll dated 21 December, 1960, in the amount of \$2,500.00, particulars being "Re: Aurora Leasing Corporation Limited, payment of account in full".
927.	Direction addressed to Corporate Plan Leasing Limited and to its solicitors, Messrs. Lang, Michener & Cranston dated 14 October, 1960, signed C. P. Morgan.	937.	Cheque made by Messrs. Solomon & Samuel drawn on the Canadian Bank of Commerce, dated 16 December, 1960, payable to William L. Walton, in trust, for \$12,000.00.
928.	Photocopy of page 14 of Aurora Leasing Corporation Limited general ledger, showing an entry of \$50,000.00	938.	Cheque no. 0375 drawn by Messrs. Solomon & Samuel on their trust account dated 30 December, 1960, payable to William L. Walton, in trust, for \$24,040.00.
929.	General ledger of Aurora Leasing Corporation Limited from 1963 on with the current sheets of the books of original entries.	939.	Cheque no. 0373 dated 30 December, 1960, payable to William L. Walton, in trust, for \$60,974.21, drawn by Messrs. Solomon & Samuel on their trust account.
930.	Agreement dated 4 November, 1960 between Morton W. Rashkis, the vendor and Carl M. Solomon, the purchaser, re: purchase of remaining shares of Aurora Leasing Corporation Limited.	940.	Cheque drawn by Messrs. Solomon & Samuel on their trust account No. 0372, 30 December 1960, payable to William L. Walton, in trust, for \$82.76 marked "Balance in Aurora Leasing Account".
		941.	Cheque drawn by Messrs. Solomon & Samuel bearing no. 0476, dated 7 April, 1961, payable to William L. Walton, in trust, in the amount of \$1,000, marked "Balance of Aurora Leasing Corporation Limited Trust Fund".

*Exhibit  
No.*

*Description*

942. Cheque drawn by Messrs. Solomon & Samuel, no. 0771, dated 18 September, 1961, payable to William L. Walton, in trust, in the amount of \$420 marked "In settlement of Aurora Leasing Corporation Limited".
943. Promissory note dated September 30, 1960, due January 18, 1961, in the amount of \$44,000 U.S. funds payable to the order of M. J. Lazar and J. G. Meckler, signed by C. P. Morgan.
944. Promissory note dated January 18, 1961, due April 18, 1961, in the amount of \$4,000 U.S. funds payable to the order of J. G. Meckler and M. J. Lazar, signed by C. P. Morgan.
945. Promissory note dated April 18, 1961, payable to J. G. Meckler and M. J. Lazar in the amount of \$4,000 U.S. funds, signed by C. P. Morgan.
946. Agreement dated 23 November, 1960, between Valley Music Company Limited and Aurora Leasing Corporation Limited, re: sale of coin operated record players to Aurora Leasing Corporation Limited for the price of \$300,000.
947. Financial statements of Valley Music Company Limited for the years ending 1956, 1957, 1958 and 1959 and financial statements of Cornwall Music Company for years ending 1953, 1954 and 1955.
948. Cheque dated 1 December, 1960, in amount of \$3,000 drawn on Solomon and Samuel trust account to George Blacklock, particulars being "Cash Payment under Agreement dated 23 November, 1960, upon direction of Valley Music Company Limited".
949. Photocopy of page 15 of Aurora Leasing Corporation Limited general journal, showing on 1 December, 1960 a liability to Commodore Sales Acceptance Limited of \$207,000.
950. Cheque from Commodore Sales Acceptance Limited dated 19 December, 1960 payable to W. L. Walton, in trust, for \$207,000.
951. Photocopy of page 50 of disbursements book of Commodore Sales Acceptance Limited, indicating a disbursement to W. L. Walton, in trust, of \$207,000.

*Exhibit  
No.*

*Description*

952. Release from Traders Finance Corporation Limited dated 15 December, 1960 to Valley Music Company Limited, indicating that the sum of \$52,110.00 fully discharges the debts of Valley Music Company Limited.
953. Commodore Sales Acceptance Limited transfer general records.
954. Commodore Sales Acceptance Limited transfer ledger book of original entry.
955. A cheque drawn by Messrs. Solomon & Samuel on their trust account payable to Laniel Amusements Inc. in the amount of \$10,500.00 dated 20 December, 1960, and marked "Valley Music Company Limited release, dated under Conditional Sales Contract".
956. Release dated December 1, 1960 signed by Laniel Amusements Inc. for \$10,500.00 which indicates that Valley Music Company Limited, Atlantic Acceptance Corporation Limited, Aurora Leasing Corporation Limited and George Blacklock were all released by Laniel.
957. Copy of a letter dated December 15, 1960, sent by Valley Music Company Limited, George Blacklock, President, addressed to William L. Walton re: distribution of \$25,000.
958. A letter dated December 16, 1960 addressed to D. Davidson, Secretary-Treasurer, Atlantic Acceptance Corporation Limited, signed by C. P. Morgan enclosing a cheque for \$17,400.00 re the Blacklock account.
959. Copy of unsigned letter dated December 16, 1960 addressed to George Blacklock Esquire, Valley Music Company Limited from C. Powell Morgan, enclosing a Cheque for George A. Welch & Company re Valley Music Company Limited audit.
960. General journal sheets of Aurora Leasing Corporation Limited from December, 1960 to December, 1962.
961. Disbursements journal sheets of Aurora Leasing Corporation Limited from December, 1960, to December, 1962.
962. Bank receipt sheets of Aurora Leasing Corporation Limited from December, 1960, to December, 1962.
963. Deferred income ledger sheets of Aurora Leasing Corporation Limited from December, 1960, to December, 1962.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
964.	General ledger sheets of Aurora Leasing Corporation Limited from December, 1960, to December, 1962.	977.	Shareholders list prepared from the records of the Company at May 10, 1961—Aurora Leasing Corporation Limited.
965.	Accounts receivable sheets of Aurora Leasing Corporation Limited from December, 1960, to December 1962.	978.	List of shareholders of Aurora Leasing Corporation Limited prepared by Mr. Austin setting out the major shareholders at May 10, 1961, and thereafter into 1965.
966.	Interest receivable sheets of Aurora Leasing Corporation Limited from December, 1960, to December, 1962.	979.	Schedule prepared by Mr. Austin entitled "Aurora Leasing Corporation Limited, Share and Note subscriptions handled through Guaranty Trust Company Account No. 13324, 10 May, 1961 to 16 June, 1961".
967.	Notes receivable ledger sheets of Aurora Leasing Corporation Limited from December, 1960, to December, 1962.	980.	Letter dated 25 May, 1961 addressed to Mr. C. Powell Morgan signed by W. Keith Burwell, re: purchase of \$15,000 worth of notes from Messrs. Morgan, Walton & Wagman.
968.	Cheque dated 24 November, 1960, to C. Powell Morgan in amount of \$10,000 drawn on Solomon and Samuel trust account re: conditional purchase assets Valley Music Company Limited.	981.	Cheque dated 13 June, 1961 payable to W. L. Walton from J. J. Richardson in the amount of \$30,000.
969.	Handwritten memo dated 24 November, 1960, signed by C. P. Morgan, which is a receipt for the cheque of \$10,000.	982.	Cancelled cheque dated 25 May, 1961 payable to Aurora Leasing Corporation Limited signed R. A. Palmer per Granite Investment and Development Limited for \$9,500 re: 10,000 convertible debenture.
970.	Agreement between Aurora Leasing Corporation Limited and N.G.K. Investments Limited relating to sale of Mavety Film Delivery Limited dated 15 December, 1960.	983.	Schedule prepared by Mr. Austin of note subscriptions of Aurora Leasing Corporation Limited for 26 May, 1961, second issue of \$300,000, 7% notes.
971.	Cheque dated 10 December, 1960, payable to Chartered Management Consultants (of Canada) Limited in the amount of \$8,000 drawn on trust account of Solomon & Samuel re: Aurora Leasing Corporation Limited.	984.	Photocopy of release signed by George Blacklock dated June 12, 1961, authorizing Atlantic Acceptance Corporation Limited to release to W. L. Walton, \$40,000 principal amount of Aurora Leasing Corporation Limited debentures held by them.
972.	Schedule prepared by Mr. Austin entitled "Aurora Leasing Corporation Limited Share and Note subscriptions handled through Solomon & Samuel Accounts 10 November, 1960 to 14 December, 1960".	985.	Cheque dated 19 July 1961, drawn on account no. 13324 at Guaranty Trust Company signed by H. Wagman payable to Valley Farm and Enterprises Limited in amount of \$38,000.00.
973.	Bundle of deposit slips relating to Solomon & Samuel trust account.	986.	Summary of cash receipts and disbursements of Messrs. Walton, Wagman and Morgan relating to Aurora Leasing Corporation Limited.
974.	Memo from David Samuel to Carl M. Solomon dated December 8, 1960 re: price of shares of Aurora Leasing Corporation Limited.	987.	General corporate file no. 2943 Easy Start Manufacturing Company Limited, from office of Solomon, Singer & Solway.
975.	Cheque dated December 16, 1960 drawn on trust account of Solomon and Samuel to the order of Aurora Leasing Corporation in the amount of \$50,000 in settlement of Corporate Plan Leasing Limited.	988.	Easy Start Manufacturing Company Limited file no. 2906, from office of Solomon, Singer & Solway.
976.	Schedule prepared by Mr. Austin entitled "Aurora Leasing Corporation Limited Share and Note subscriptions handled through Guaranty Trust Account 13324, December 14, 1960, to May 10, 1961".		

<i>Exhibit No.</i>	<i>Description</i>
989.	Evermac Office Equipment Company Limited—company general file no. 1012, from office of Solomon, Singer & Solway.
990.	Fun-A-Marin Limited, application for Supplementary Letters Patent file No. 2209, from office of Solomon, Singer & Solway.
991.	Fun-A-Marin Limited — Purchase from Immediate Finances Ltd., file No. 2209, from office of Solomon, Singer & Solway.
992.	General Lawn Spray Limited — Shareholders' Agreements, file No. 2439, from office of Solomon, Singer & Solway.
993.	General Lawn Spray Limited, re: 7% Subordinated convertible notes, etc., file no. 3079, from office of Solomon, Singer & Solway.
994.	General Lawn Spray Limited—Incorporation, file no. 2365, from office of Solomon, Singer & Solway.
995.	Hebard Holdings Limited—General corporate file no. 2942, from office of Solomon, Singer & Solway.
996.	Hugo Oppenheim Berlin Bank—re: purchase of shares of Commodore Business Machines (Canada) Limited from Five Wheels Limited, file no. 2917, from office of Solomon, Singer & Solway.
997.	Hugo Oppenheim (Canada) Limited —re: sale of Atlantic Shares to Tramiel and Kapp, file no. 2336, from office of Solomon, Singer & Solway.
998.	Hugo Oppenheim U. Sohn Nachf. Berliner Privatbank AG., sale of notes and preferred shares of Commodore to Trans Commercial Acceptance file no. 3043, from office of Solomon, Singer & Solway.
999.	Hugo Oppenheimbank (Canada) Limited — purchase of shares of Trans Commercial Acceptance Limited, file no. 3042, from office of Solomon, Singer & Solway.
1000.	Hugo Oppenheim U. Sohn Nachf. Berliner Privatbank AG. — Agreement with Cimcony Limited, file no. 2920, from office of Solomon, Singer & Solway.
1001.	Hugo Oppenheimbank (Canada) Limited — Incorporation, file no. 2918, from office of Solomon, Singer & Solway.

<i>Exhibit No.</i>	<i>Description</i>
1002.	Hugo Oppenheim Berlin Bank — re: Bahamian Corporation, file no. 2931, from office of Solomon, Singer & Solway.
1003.	Hilltop Holdings Limited—Loan to Gerald Groshup, file no. 789A, from office of Solomon, Singer & Solway.
1004.	Hilltop Holdings Limited—Loan to Eugene Last, 300 Dwight Avenue, file no. 1004, from office of Solomon, Singer & Solway.
1005.	Hilltop Holdings Limited—Miscellaneous file no. 566, from office of Solomon, Singer & Solway.
1006.	The Jacroy Company — General corporate matters, file no. 2135, from office of Solomon, Singer & Solway.
1007.	Mavety Film Delivery Limited—financial statements, from office of Solomon, Singer & Solway.
1008.	Mavety Film Delivery Limited—Vehicle inspection reports and quotations on equipment from office of Solomon, Singer & Solway.
1009.	Mavety Film Delivery Limited—Correspondence and memos, from office of Solomon, Singer & Solway.
1010.	Mavety Film Delivery Limited — Miscellaneous reports, file from office of Solomon, Singer & Solway.
1011.	Mavety Film Delivery Limited — Moving jobs and other contract work, file from office of Solomon, Singer & Solway.
1012.	Mavety Film Delivery Limited — Personnel, salaries, bonuses, wage reports, etc., file from office of Solomon, Singer & Solway.
1013.	Mavety Film Delivery Limited — Purchase from Monsanto Chemicals (Front Street), file no. 3286, from office of Solomon, Singer & Solway.
1014.	Mavety Film Delivery Limited — Employment contracts Laidlaw and Pfaff, file no. 3334, from office of Solomon, Singer & Solway.
1015.	Mavety Film Delivery Limited — Minutes and annual returns file no. 827, from office of Solomon, Singer & Solway.
1016.	M.L.B. Investments Limited—General corporate file no. 3094, from office of Solomon, Singer & Solway.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1017.	Morgan, C. Powell—Purchase of interest in G.B.S. Barbecues Limited, file no. 2901, from office of Solomon, Singer & Solway.	1031.	Shelburne Tool Company Limited—General corporate matters, file no. 2641, from office of Solomon, Singer & Solway.
1018.	Morgan, C. Powell—Purchase of shares Aurora Leasing Corporation Limited, file no. 603, from office of Solomon, Singer & Solway.	1032.	Sprayfoil Corporation Inc.—General file no. 2703, from office of Solomon, Singer & Solway.
1019.	Morgan, C. Powell — Purchase Aurora Leasing Corporation Limited debts, file no. 825, from office of Solomon, Singer & Solway.	1033.	Triangle Warehousing Limited — Incorporation, file no. 998, from office of Solomon, Singer & Solway.
1020.	Morgan, C. Powell—Bon Ami Limited, file no. 3259, from office of Solomon, Singer & Solway.	1034.	Tramiel, Jack — Indemnity from Associated Canadian Holdings Limited, file no. 2937, from office of Solomon, Singer & Solway.
1021.	C. Powell Morgan & Mildred Morgan—Wills, file no. 89, from office of Solomon, Singer & Solway.	1035.	Treasure Island Gardens Limited—Public Financing, file no. 2679, from office of Solomon, Singer & Solway.
1022.	Morgan, C. Powell—Option to sell shares American - Marsh Pumps (Canada) Ltd., file no. 960, from office of Solomon, Singer & Solway.	1036.	Trans Commercial Acceptance Corporation Limited—Financing agreements, file no. 2634, from office of Solomon, Singer & Solway.
1023.	Morgan, C. Powell — Commodore Business Machines from G. William Streit, file no. 2044, from office of Solomon, Singer & Solway.	1037.	Trans Commercial Acceptance Corporation Limited—Option to British Mortgage & Trust Company, file no. 3290, from office of Solomon, Singer & Solway.
1024.	Morgan, C. Powell—Release and sale to John R. Shemilt, shares—John Belli Operations Limited, file no. 2306, from office of Solomon, Singer & Solway.	1038.	Valley Farm and Enterprises Limited—Re: Incorporation, file no. 783, from office of Solomon, Singer & Solway.
1025.	C. P. Morgan Holdings Limited—Application for incorporation, file no. 2418, from office of Solomon, Singer & Solway.	1039.	Valley Farm and Enterprises Limited—Re: Loan to John Frame, file no. 2193, from office of Solomon, Singer & Solway.
1026.	N.G.K. Investments Limited—Convertible promissory notes subscriptions forms, file no. 958, from office of Solomon, Singer & Solway.	1040.	Valley Farm and Enterprises Limited—Purchase of Brookdale Avenue lots, notes from Canadian Imperial Bank of Commerce, Cornwall, Ontario, file no. 2255, from office of Solomon, Singer & Solway.
1027.	N.G.K. Investments Limited — Incorporation, file no. 574, from office of Solomon, Singer & Solway.	1041.	Valley Music Company Limited—General file no. 818, from office of Solomon, Singer & Solway.
1028.	N.G.K. Investments Limited—Subscriptions for common shares, file no. 712, from office of Solomon, Singer & Solway.	1042.	N.G.K. Investments re: Minutes and annual returns, file no. 872, from office of Solomon, Singer & Solway.
1029.	Pro Musica Limited—Purchase of shares by Betty Crisp, in trust, file no. 2101A, from office of Solomon, Singer & Solway.	1043.	Morgan v. Blum, re: M.L.B. Investments Limited, file no. 2362, from office of Solomon, Singer & Solway.
1030.	Symphony Paint Company—General file no. 2147, from office of Solomon, Singer & Solway.	1044.	Morgan, C. P., Tramiel, J., Kapp, M., and Wagman, H. — Purchase shares of Bank of Marathon, Florida, file no. 2334, from the office of Solomon, Singer & Solway.



<i>Exhibit No.</i>	<i>Description</i>
1045.	Two cartons containing 117 bundles and 101 bundles of banking documents re: Solomon & Samuel; Solomon, Singer & Solway; Solomon, Singer & Rosen; and Solomon & Singer, from the offices of Solomon, Singer & Solway.
1046.	File and contents labelled "G.E.M. Stores and Sentry Department Stores Limited", from the offices of Wagman, Fruitman & Lando.
1047.	File and contents labelled "List of Clients — Wagman, Fruitman & Lando", from the offices of Wagman, Fruitman & Lando.
1048.	File and contents labelled "Fun-A-Marin Limited — Paid Accounts", from the offices of Wagman, Fruitman & Lando.
1049.	Two deposit books, general journal, cash book, cheque book and bank statements of Fun-A-Marin Limited, from the offices of Wagman, Fruitman & Lando.
1050.	File and contents labelled "Invoices to Pay—Valley Farm & Enterprises Limited", from the offices of Wagman, Fruitman & Lando.
1051.	File and contents labelled "Paid Accounts—Valley Farm & Enterprises Limited", from the offices of Wagman, Fruitman & Lando.
1052.	File and contents labelled "Financial Statements—Valley Farm & Enterprises Limited", from the offices of Wagman, Fruitman & Lando.
1053.	File and contents labelled "Documents—Valley Farm & Enterprises Limited", from offices of Wagman, Fruitman & Lando.
1054.	File and contents labelled "Barrett-Goodfellow—Valley Farm & Enterprises Limited", from offices of Wagman, Fruitman & Lando.
1055.	File and contents labelled "Insurance — Valley Farm & Enterprises Limited", from offices of Wagman, Fruitman & Lando.
1056.	File and contents labelled "Correspondence—Valley Farm & Enterprises Limited", from the offices of Wagman, Fruitman & Lando.
1057.	File and contents labelled "Property Taxes — Valley Farm & Enterprises Limited", from the offices of Wagman, Fruitman & Lando.

<i>Exhibit No.</i>	<i>Description</i>
1058.	File and contents labelled "Correspondence—Valley Farm & Enterprises Limited between December, 1963 and 29 October, 1964", from the offices of Wagman, Fruitman & Lando.
1059.	File and contents labelled "Trial Balance—Valley Farm & Enterprises Limited", from the offices of Wagman, Fruitman & Lando.
1060.	File and contents labelled "Chatsworth Enterprises Limited", from the offices of Wagman, Fruitman & Lando.
1061.	File and contents labelled "Highlight Distributors et al", from the offices of Wagman, Fruitman & Lando.
1062.	File and contents labelled "Yarrum Investments Limited — Financial Statements", from the offices of Wagman, Fruitman & Lando.
1063.	File and contents labelled "Yarrum Investments Limited — Brokers", from the offices of Wagman, Fruitman & Lando.
1064.	File and contents labelled "Yarrum Investments Limited — Vouchers", from the offices of Wagman, Fruitman & Lando.
1065.	File and contents labelled "Yarrum Investments — Bills Paid", from the offices of Wagman, Fruitman & Lando.
1066.	Cheque book, deposit book, journals and ledger of Yarrum Investments Limited, from the offices of Wagman, Fruitman & Lando.
1067.	Deposit book of Gassem Enterprises Limited, from the offices of Wagman, Fruitman & Lando.
1068.	File and contents labelled "Hilltop Holdings Limited — Commodore Sales Acceptance", from the offices of Wagman, Fruitman & Lando.
1069.	Correspondence file of South Wellington Properties Limited, etc., from the offices of Wagman, Fruitman & Lando.
1070.	File containing trial balances of Pearlson Distributors Limited, Baronet Associates Inc., Trans Commercial Acceptance Limited, Evermac Office Equipment Company Limited, and Hugo Oppenheimbank (Canada) Limited, from the offices of Wagman, Fruitman & Lando.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1071.	File and contents labelled "Dalite Corporation (Canada) Limited — Re: Bahama project", from the offices of Wagman, Fruitman & Lando.	1084.	File and contents — Daylite of Grand Bahama Company Limited — Licence, from the offices of Wagman, Fruitman & Lando.
1072.	File and contents labelled "Dalite Government Reports", from the offices of Wagman", Fruitman & Lando.	1085.	File of invoices and papers, Dalite Corporation (Canada) Limited to Daylite of Grand Bahama Company Limited, from the offices of Wagman, Fruitman & Lando.
1073.	File and contents labelled "Commodore Sales Acceptance, Commodore Factors Limited—Signed Financial Statements", from the offices of Wagman, Fruitman & Lando.	1086.	File and contents labelled "Mr. Harry Wagman—Dalite Corporation (Canada) Limited, from Nathan Saunders", from the offices of Wagman, Fruitman & Lando.
1074.	File and contents labelled "Spray-foil Corporation — Miscellaneous papers", from the offices of Wagman, Fruitman & Lando.	1087.	File and contents labelled "Grand Bahama Project — Mr. H. Wagman", from the offices of Wagman, Fruitman & Lando.
1075.	File and contents labelled "American-Marsh Pumps (Canada) Limited — Trial Balances", from the offices of Wagman, Fruitman & Lando.	1088.	File and contents labelled "Lucayan Beach Hotel Company Limited Financial Statements for August, September, 1964", from the offices of Wagman, Fruitman & Lando.
1076.	File and contents labelled "Spray-foil Corporation—Sundry papers", from the offices of Wagman, Fruitman & Lando.	1089.	File and contents labelled "L.B.H. Management Company Limited — Statements, April, 1965", from the offices of Wagman, Fruitman & Lando.
1077.	File and contents labelled "Spray-foil Corporation — Sundry notes", from the offices of Wagman, Fruitman & Lando.	1090.	File and contents labelled "L.B.H. Management Company Limited — Statements, May, 1965", from the offices of Wagman, Fruitman & Lando.
1078.	File and contents labelled "Daylite of Grand Bahama Company Limited — Sundry papers", from the offices of Wagman, Fruitman & Lando.	1091.	File and contents labelled "L.B.H. Management Company Limited — Statements, March, 1965", from the offices of Wagman, Fruitman & Lando.
1079.	File and contents labelled "General — Dalite Corporation Manitoba Limited", from the offices of Wagman, Fruitman & Lando.	1092.	File and contents labelled "San Jose Construction (Bahamas) Limited — Current Assets", from the offices of Wagman, Fruitman & Lando.
1080.	File containing In Process Statements re: Commodore Sales Acceptance Limited", from the offices of Wagman, Fruitman & Lando.	1093.	File and contents labelled "San Jose Construction (Bahamas) Limited — Inventory", from the offices of Wagman, Fruitman & Lando.
1081.	Mr. Laidlaw's file of correspondence re C. P. Morgan, from the offices of Wagman, Fruitman & Lando.	1094.	File and contents labelled "San Jose Construction (Bahamas) Limited — Profit and Loss", from the offices of Wagman, Fruitman & Lando.
1082.	File and contents labelled "Hilltop Holdings Limited—Financial Statement", from the offices of Wagman, Fruitman & Lando.	1095.	File and contents labelled "Dalite of Grand Bahama Company Limited—Accounts Payable", from the offices of Wagman, Fruitman & Lando.
1083.	Letter dated 26 June, 1964 to H. Wagman, re Willy Feiler, from Dr. H. Scholze, with envelope, from the offices of Wagman, Fruitman & Lando.		

<i>Exhibit No.</i>	<i>Description</i>
1096.	File and contents labelled "San Jose (Bahamas) Limited—Working papers", from the offices of Wagman, Fruitman & Lando.
1097.	File and contents labelled "San Jose (Bahamas) Limited—Working papers", from the offices of Wagman, Fruitman & Lando.
1098.	File and contents labelled "L.B.H. Management Company Limited — Sundry papers", from the offices of Wagman, Fruitman & Lando.
1099.	File and contents labelled "Dalite Corporation (Canada) Limited — Sundry correspondence", from the offices of Wagman, Fruitman & Lando.
1100.	File and contents labelled "Dalite Corporation (Canada) Limited — Working papers, December, 1963", from the offices of Wagman, Fruitman & Lando.
1101.	Copies of international memoranda of Lucayan Beach Hotel Company Limited, from the offices of Wagman, Fruitman & Lando.
1102.	Copies of auditors' daily reports re management of Lucayan Beach Hotel, from the offices of Wagman, Fruitman & Lando.
1103.	Envelope marked "For Lou Sheriff", containing letter of Solomon & Singer dated November 9, 1964, addressed to Mr. Harry Wagman re G.B.S. Barbecues Limited and Albert Berg Limited, and enclosing copies of financial statements of Louis Sheriff Limited at December 31, 1963, Albert Berg Limited at March 31, 1963, March 31, 1964 and August 31, 1964, from the offices of Wagman, Fruitman & Lando.
1104.	Envelope marked "Masco Construction, Sundry Vouchers", from the offices of Wagman, Fruitman & Lando.
1105.	File of miscellaneous correspondence from the offices of Wagman, Fruitman & Lando.
1106.	Bank statement — American Automation (Canada) Limited, May, 1965, from the offices of Wagman, Fruitman & Lando.
1107.	Letters and confirmations from G. W. Nicholson & Company Limited to Albert Lando, from the offices of Wagman, Fruitman & Lando.

<i>Exhibit No.</i>	<i>Description</i>
1108.	File and contents—Trial balances —Pro Musica Limited, from the offices of Wagman, Fruitman & Lando.
1109.	File and contents—Trial balances —Canada Motor Products (Blackstone) Limited, from the offices of Wagman, Fruitman & Lando.
1110.	File and contents—Trial balances —Pearlsound Distributors Limited, from the offices of Wagman, Fruitman & Lando.
1111.	File and contents—Trial balances — Trans Commercial Acceptance Limited, from the offices of Wagman, Fruitman & Lando.
1112.	File and contents—Trial balances — Trans Canada Millinery Sales Limited, from the offices of Wagman, Fruitman & Lando.
1113.	File and contents—Trial balances — Frederick's Department Store Limited, from the offices of Wagman, Fruitman & Lando.
1114.	File and contents—Sundry papers, A. J. & E. Goldberg Brothers Limited, from the offices of Wagman, Fruitman & Lando.
1115.	File and contents—Trial balances, Pay As You Study Plan, from the offices of Wagman, Fruitman & Lando.
1116.	File and contents—Audit papers, Old Angelo's Restaurant Limited, from the offices of Wagman, Fruitman & Lando.
1117.	Solomon & Singer petty cash account, from the offices of Wagman, Fruitman & Lando.
1118.	File and contents—Letters of complaint, Fun-A-Marin Limited, from the offices of Wagman, Fruitman & Lando.
1119.	File and contents—Correspondence re enquiries, Fun-A-Marin Limited, from the offices of Wagman, Fruitman & Lando.
1120.	File and contents — Collection letters, Fun-A-Marin Limited, from the offices of Wagman, Fruitman & Lands.
1121.	File and contents — Legal papers, Fun-A-Marin Limited, from the offices of Wagman, Fruitman & Lando.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1122.	File and contents — Lease, taxes, etc., Fun-A-Marin Limited, from the offices of Wagman, Fruitman & Lando.	1136.	Envelope containing schedules, Aurora Leasing Corporation Limited, and newspaper articles re Freeport, from the offices of Wagman, Fruitman & Lando.
1123.	File and contents — C.N.R.-C.P.R. rates, Fun-A-Marin Limited, from the offices of Wagman, Fruitman & Lando.	1137.	Envelope containing of "Return" draft of provincial information for Canada Motor Products (Blackstone) Limited, Hilltop Holdings Limited, Chartered Management Consultants (of Canada) Limited, from offices of Wagman, Fruitman & Lando.
1124.	File and contents—Frigon Account, Fun-A-Marin Limited, from the offices of Wagman, Fruitman & Lando.	1138.	File and contents labelled "Commodore Sales Acceptance Limited re: Dalite Corporation, Thompson, Manitoba", from the office of D. M. Samuel.
1125.	File and contents—Correspondence, Fun-A-Marin Limited, from the offices of Wagman, Fruitman & Lando.	1139.	File and contents labelled "Commodore Sales Acceptance Limited re: Dalite Homes Factory", from the office of D. M. Samuel.
1126.	File and contents—D.H.I. Limited, from the offices of Wagman, Fruitman & Lando.	1140.	File and contents labelled "Commodore Sales Acceptance Limited, Horst P. Haddrath and R. Haddrath, 4th mortgage, 64 Hawkesbury and Assignment of Insurance", from the office of D. M. Samuel.
1127.	File and contents—Applications for position, Chartered Management Consultants (of Canada) Limited, from the offices of Wagman, Fruitman & Lando.	1141.	File and contents labelled "Commodore Sales Acceptance Limited, General", from the office of D. M. Samuel.
1128.	File and contents—Correspondence, Dalite Corporation (Canada) Limited, from the offices of Wagman, Fruitman & Lando.	1142.	File and contents labelled "Commodore Sales Acceptance Limited, Debenture Loan to General Lawn Spray Limited", from the office of D. M. Samuel.
1129.	File and contents—Financial statements, Arcan Corporation Limited, from the offices of Wagman, Fruitman & Lando.	1143.	File and contents labelled "Commodore Sales Acceptance Limited, as Trustee in Bankruptcy of H. P. Haddrath", from the office of D. M. Samuel.
1130.	File and contents—Jacroy Canada Limited, from the offices of Wagman, Fruitman & Lando.	1144.	File and contents labelled "Commodore Sales Acceptance Limited and Racan Photo-Copy Corporation Limited, and Trans Commercial Acceptance Limited, Factory Agreement", from office of D. M. Samuel.
1131.	File and contents — Masco Construction Company Limited, from the offices of Wagman, Fruitman & Lando.	1145.	File and contents labelled "Commodore Sales Acceptance Limited, Debenture Loan to Highlight Distributors Limited", from the office of D. M. Samuel.
1132.	File and contents—Correspondence, Arcan Corporation Limited, from the offices of Wagman, Fruitman & Lando.	1146.	File and contents labelled "Commodore Sales Acceptance Limited and Ticonderoga, Thompson, Manitoba —Documents", from the office of D. M. Samuel.
1133.	Envelope containing sundry ledger accounts marked Graham Bartlett, from the offices of Wagman, Fruitman & Lando.		
1134.	Suspension file containing documents re Zeus Automotive, from the offices of Wagman, Fruitman & Lando.		
1135.	File and contents — Price lists, Molly Corporation of Canada Limited, from the offices of Wagman, Fruitman & Lando.		



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1147.	File and contents labelled "Commodore Sales Acceptance Limited and Ticonderoga, Thompson, Manitoba—General", from the office of D. M. Samuel.	1160.	File and contents labelled "Premi-umwares Limited — Loan from Commodore Sales Acceptance Limited and purchase of Inventories and Building from Bond & Cosman Limited", from office of D. M. Samuel.
1148.	File and contents labelled "Ticonderoga (Commodore) Sales— To Russell Lindsay Hill and Oliver Akerly — Thompson, Manitoba", from the office of D. M. Samuel.	1161.	File and contents labelled "Mann-ing Discount Sales Limited—Incor-poration", from office of D. M. Samuel.
1149.	File and contents labelled "Commo-dore Sales Acceptance Limited and Gerald Groship—General", from the office of D. M. Samuel.	1162.	File and contents labelled "Mart Utilities Limited — General and Corporate", from office of D. M. Samuel.
1150.	File and contents labelled "Commo-dore Factors Limited—Agreement with Tools & Molds Inc., and Nevil Enterprises Inc.", from the office of D. M. Samuel.	1163.	File and contents labelled "Mart Buying Services Limited—Gener-al", from office of D. M. Samuel.
1151.	File and contents labelled "Anglo Discount Sales Limited—Incorporation", from the office of D. M. Samuel.	1164.	File and contents labelled "Saxon Discount Stores Limited—Incorporation", from office of D. M. Samuel.
1152.	File and contents labelled "Aurora Leasing Corporation Limited — Lease of equipment and cattle to W. G. Blacklock, Riceville", from the office of D. M. Samuel.	1165.	File and contents labelled "Spadina Discount Stores Limited—Incorporation and General", from office of D. M. Samuel.
1153.	File and contents labelled "Trans Canada Millinery Sales Limited—General & Corporate", from the office of D. M. Samuel.	1166.	File and contents labelled "Celtic Discount Stores Limited—Incorporation", from office of D. M. Samuel.
1154.	File and contents labelled "Trans Caribbean Investments Limited — Incorporation", from office of D. M. Samuel.	1167.	File and contents labelled "Bond & Cosman Limited — General and Corporate", from office of D. M. Samuel.
1155.	File and contents labelled "Trans Caribbean Investments Limited and Dalite Corporation (Canada) Limited — Assignment of Building Patents", from office of D. M. Samuel.	1168.	File and contents labelled "Kelton Ultrasonics Limited—General and Corporate", from office of D. M. Samuel.
1156.	File and contents labelled "Hilltop Holdings Limited re: Eleanor Far-kas Contract", from office of D. M. Samuel.	1169.	File and contents labelled "Jumbo Discount Sales Limited — Incorporation", from office of D. M. Samuel.
1157.	File and contents labelled "Hilltop Holdings Limited—Sale to General Fire Extinguisher Corporation (Canada), 155 Kipling Avenue", from office of D. M. Samuel.	1170.	File and contents labelled "Gol-burn Discount Sales Limited—In-corporation", from office of D. M. Samuel.
1158.	File and contents labelled "Preston Lake Discount Stores Limited—In-corporation and General", from office of D. M. Samuel.	1171.	File and contents labelled "Dallas Holdings Limited — Mortgage of Glenspey Farms Limited (John Frame)", from office of D. M. Samuel.
1159.	File and contents labelled "Prov-ince-Wide Stores Limited—General Public Matters," from office of D. M. Samuel.	1172.	File and contents labelled "Ade-laide Acceptance Limited—Realty Management, 220 Dundurn Street, Hamilton (Phantom Industries)", from office of D. M. Samuel.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1173.	File and contents labelled "Ade-laide Acceptance Limited—Loan to John Frame and Company", from office of D. M. Samuel.	1183.	Certified copy of mortgage indenture dated 28 July, 1953 between Aurel Brunet and George Blacklock with Marguerite Brunet joining as third party in the amount of \$51,000, registered as Instrument No. 39038 in Registry Office, Stormont Co., being part of farm of Valley Farm and Enterprises Limited.
1174.	File and contents labelled "Ade-laide Acceptance Limited—Loan to Phantom Industries Limited", from office of D. M. Samuel.	1184.	Certified copy of mortgage dated 5 of March, 1956 between Aurel Brunet and George Blacklock with Marguerite Brunet joining as third party in the amount of \$262,056, registered as Instrument No. 43918 in Registry Office, Stormont Co., being part of farm of Valley Farm and Enterprises Limited.
1175.	File and contents labelled "Ade-laide Acceptance Limited re: Estate in Bankruptcy of Phantom Industries Limited", from office of D. M. Samuel.	1185.	Certified copy of assignment of previous mortgage dated 19 October, 1956 with George Blacklock as assignor, assigning aforesaid mortgage to Canadian Bank of Commerce, in the amount due \$272,056, registered Instrument No. 45721, in Registry Office, Stormont Co.
1176.	File and contents labelled "Atlantic Acceptance Corporation Limited and George Blacklock — Guarantee of first Mortgage of Firestone Store and B.P. Station (Cornwall)", from office of D. M. Samuel.	1186.	Certified copy of Grant dated 27 June, 1958 — Aurel Brunet as grantor with Marguerite Brunet joining, granting to George Blacklock said property and other lands, being 8th Concession, Lot 8 of the Township of Cornwall and five parcels of the farm of Valley Farm and Enterprises Limited, from Registry Office, Stormont Co.
1177.	File and contents labelled "Atlantic Acceptance Corporation Limited and Blacam Realities Limited — Guarantee of Mortgage Loan on I.G.A. Store (Cornwall) and B.P. Station (Morrisburg)", from office of D. M. Samuel.	1187.	Certified copy of assignment dated 10 August, 1958—Canadian General Insurance Company the assignor assigning to Traders Realty Limited, property described and other lands, registered as Instrument No. 46795, in Registry Office, Stormont Co.
1178.	Certified copy of "Abstract of Title of Lot 8, 8th Concession of the Township of Cornwall in the County of Stormont—Commodore Sales Acceptance Limited, registered in Registry Office, Stormont Co.	1188.	Certified copy of discharge of mortgage dated 27 February, 1959 — Canadian Bank of Commerce discharging mortgage originally registered no. 43918. Instrument assigned no. 47096, in Registry Office, Stormont Co.
1179.	Certified copy of a grant dated 13 October, 1945 — MacIntosh to Blacklock and McDonell, registered as no. 28547, in Registry Office, Stormont Co.	1189.	Certified copy of mortgage dated 13 June, 1961, George Blacklock mortgagor and Commodore Sales Acceptance Limited mortgagee with owner Blacklock joining as third party and Blacam Realities Limited joining as grantor in the amount of \$222,000.00 registered as no. 48018, in Registry Office, Stormont Co.
1180.	Certified copy of grant dated 26 January, 1949—Clifford McDonell and Muriel McDonell to George Blacklock, registered as no. 32516, in Registry Office, Stormont Co.		
1181.	Certified copy of Grant dated 28 June, 1950—George Blacklock to Aurel Brunet, registered as no. 34440, in Registry Office, Stormont Co.		
1182.	Certified copy of mortgage dated the 10 day of July, 1953—Brunet to Canadian General Insurance Company with Marguerite Brunet joining as third party and George Blacklock joining as fourth party in the amount of \$144,000.00 being parcels of farm of Valley Farm and Enterprises Limited, registered in Registry Office, Stormont Co.		

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1190.	Certified copy of assignment of mortgage by Traders Realty Limited to Hilltop Holdings Limited, dated 10 July, 1963, registration no. 48576, in Registry Office, Stormont Co.	1200.	Certified copy of abstract of title commencing with Instrument No. 16213, closing with Instrument No. 2374C, registered in Registry Office, Prescott Co.
1191.	Certified copy of indenture of tax sale dated 5 March, 1964, the Township of Cornwall as grantor, and Valley Farm and Enterprises Limited as grantee, registered as no. 48576, in Registry Office, Stormont Co.	1201.	Certified copy of abstract of title commencing with Instrument No. 16246, and concluding with Instrument No. 2374C, registered in Registry Office, Prescott Co.
1192.	Certified copy of indenture dated 5 March, 1964, the Township of Cornwall as grantor, Valley Farm and Enterprises Limited as grantee, registered as no. 48840, in registry Office, Stormont Co.	1202.	Certified copy of grant dated 27 June, 1958, from Irvin Brown and Stewart Brown to George Blacklock, Instrument No. 17072, registered in Registry Office, Prescott Co.
1193.	Certified copy of indenture of grant dated 22 July, 1964, between Valley Farm and Enterprises Limited and Samuel Springer & Sons Properties Limited, registered as no. 48841, in Registry Office, Stormont Co.	1203.	Certified copy of grant dated 27 June, 1958, from Victor Brunet to George Blacklock, Instrument No. 17073, registered in Registry Office, Prescott Co.
1194.	Certified copy of agreement dated 25 June, 1964, between Samuel Springer & Sons Properties Limited and Valley Farm and Enterprises Limited, registered as no. 48842, in Registry Office, Stormont Co.	1204.	Certified copy of grant dated 6 May, 1954, from Joseph Ernest Laframboise to Aurel Brunet, Instrument No. 16366, registered in Registry Office, Prescott Co.
1195.	Certified copy of abstract of title dated January 27, 1966, of east half of Lot 12, Concession 15, in the Township of South Plantagenet, beginning with Instrument No. 17072, registered in Registry Office, Prescott Co.	1205.	Certified copy of grant dated 13 November, 1952, from Edmond Picard to Aurel Brunet, Instrument No. 16096, registered in Registry Office, Prescott Co.
1196.	Certified copy of abstract of title, beginning with Instrument No. 17073, and concluding with Instrument No. 5434C, certified as of January 27, 1966, in Registry Office, Prescott Co.	1206.	Certified copy of grant dated 28 October, 1952, from William Wilson to Aurel Brunet, Instrument No. 16115, registered in Registry Office, Prescott Co.
1197.	Certified copy of abstract of title beginning with Instrument No. 16365, and concluding with Instrument No. 5434C, certified on the 28 of January, 1966, in Registry Office, Prescott Co.	1207.	Certified copy of grant dated 30 July, 1953, from Wilfred Rouleau to Aurel Brunet, Instrument No. 16213, registered in Registry Office, Prescott Co.
1198.	Certified copy of abstract of title, beginning with Instrument No. 16096, ending with Instrument No. 5433, registered in Registry Office, Prescott Co.	1208.	Certified copy of grant dated 16 November, 1953, from Neil Mason Chisholm to Aurel Brunet, Instrument No. 16246, registered in Registry Office, Prescott Co.
1199.	Certified copy of abstract of title beginning with Instrument No. 16115, and ending with Instrument No. 5433C, registered in Registry Office, Prescott Co.	1209.	Folder headed Letter of Opinion Valley Farm and Enterprises Limited, Township of South Plantagenet dated 14 November, 1962.
		1210.	Three pages of pencil notes of H. W. Gale made at the time of his appraisal of the property in the Ottawa Valley area.
		1211.	Soil map of Prescott County, Ontario compiled, drawn and published by the Research Branch Canada Department of Agriculture, Ottawa, 1961.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1212.	Photostatic copy of sketch map similar to one in Exhibit No. 1209 with the exception of red ink markings three, six and seven.	1220.	Letter from Traders Realty Limited dated 5 July, 1961, addressed to Solomon & Samuel re: capital loan — George Blacklock, signed W. W. Thom, Chief Accountant.
1213.	Certified copy of mortgage dated 10 July, 1953, between Aurel Brunet and Canadian General Insurance Company, with Marguerite Brunet third party, and George Blacklock fourth party, Instrument No. 16203, registered in Registry Office, Prescott Co., being part of farm property of Valley Farms and other lands.	1221.	Carbon copy of letter dated 20 July, 1961, addressed to Aurora Leasing Corporation Limited written by Mr. Samuel advising Aurora Leasing Corporation Limited that The Canadian Bank of Commerce would accept the sum of \$10,000 in full payment of their account.
1214.	Certified copy of assignment of Exhibit No. 1213, Canadian General Insurance Company, assignor, Traders Realty Limited, assignee, registered as Instrument No. 17047, in Registry Office, Prescott Co.	1222.	Carbon copy of account of Solomon & Samuel rendered to Aurora Leasing Corporation Limited, undated.
1215.	Certified copy of grant dated 27 June, 1958, Aurel Brunet, grantor and George Blacklock, grantee with Marguerite Brunet joining as third party. Instrument No. 17071, registered in Registry Office, Prescott Co.	1223.	Carbon copy of letter dated 17 June, 1963, to Aurora Leasing Corporation Limited from D. M. Samuel. Sent to Aurora Leasing Corporation Limited c/o Walton, Wagman & Company.
1216.	Certified copy of mortgage dated 12 December, 1958, between George Blacklock and Traders Realty Limited with Leona Blacklock joining as third party in consideration of \$31,000. Instrument No. 17121, registered in Registry Office, Prescott Co.	1224.	Pencilled memo written to D. M. Samuel dated June 18, 1963, from Aurora Leasing Corporation Limited re: outstanding accounts.
1217.	Certified copy of mortgage dated 12 December, 1958, between George Blacklock and the Canadian Bank of Commerce with Leona Blacklock as third party reciting indebtedness of \$153,100. Instrument No. 17122, registered in Registry Office, Prescott Co.	1225.	Original letter dated 20 June, 1963, on letterhead of Valley Farm and Enterprises Limited addressed to Mr. David M. Samuel, signed by W. E. Pahn.
1218.	Certified copy of grant dated 13 June, 1961, grantor George Blacklock and Blacam Realities grantee, with Leona Blacklock joining as third party in consideration of one dollar. Instrument No. 1168C, registered in Registry Office, Prescott Co.	1226.	Certified copy of mortgage dated 13 June, 1961, between Blacam Realities Limited and Commodore Sales Acceptance Limited—Instrument No. 1169—In the amount of \$222,000, registered in Registry Office, Prescott Co.
1219.	Copy of letter dated 1 June, 1961, addressed to Atlantic Acceptance Corporation Limited, attention C. Powell Morgan from David Samuel's office re: Atlantic Acceptance — proposed loan to George C. Blacklock.	1227.	Carbon copy of letter dated 5 July, 1961, to Mr. George Blacklock, care of Valley Music Co. Limited, Cornwall, Ontario, produced by Mr. Samuel re: Mr. Samuel's instructions to Mr. Blacklock to complete the deed of grant from Blacklock to Blacam Realities Limited and mortgage from Blacam Realities Limited, to Commodore Sales Acceptance Limited.
		1228.	Carbon copy of letter dated 16 June, 1961, from Mr. Samuel to the Registrar of Deeds, L'Orignal, Prescott Co. re: William George Blacklock carrying on business as Valley Farm.
		1229.	Draft copy of declaration of sole proprietorship of William George Blacklock, June, 1961, prepared by Solomon & Samuel, 16 June, 1961. Re: Valley Farm.



*Exhibit  
No.*

*Description*

1230. Carbon copy of letter dated 25 June, 1961, to the Registrar of Deeds, Prescott Co., from D. M. Samuel re: Valley Farm.
1231. Partial discharge of mortgage to George Blacklock from Canadian Imperial Bank of Commerce, Instrument No. 1450C comprising seven parcels of the farm of Valley Farm and Enterprises Limited, dated 16 August, 1961, registered in Registry Office, Prescott Co.
1232. Original letter dated 3 July, 1961, from J. A. Lusignan, Canadian Imperial Bank of Commerce, Cornwall, to C. P. Morgan, President, Atlantic Acceptance Corporation Limited.
1233. Carbon copy of letter dated 18 July, 1961, from D. M. Samuel to J. A. Lusignan, Manager, Canadian Imperial Bank of Commerce, Cornwall re: instructions by Morgan to arrange for assignment of bank's mortgage to Commodore Sales Acceptance Limited.
1234. Certified copy of grant dated 30 November, 1961, Instrument No. 2260C, from Blacam Realities Limited to Valley Farm and Enterprises Limited, registered in Registry Office, Prescott Co.
1235. Letter dated 13 October, 1961, to Messrs. Solomon & Samuel from J. R. Campbell, Fennell, Rudden & Campbell, Cornwall re: Blacam Realities Limited.
1236. Carbon copy of letter dated 16 October, 1961, from D. M. Samuel to Messrs. Fennell, Rudden & Campbell, to the attention of J. R. Campbell re: Blacam Realities Limited and Commodore Sales Acceptance Limited Mortgage on property.
1237. Letter dated 30 November, 1961, from D. M. Samuel to Valley Farm and Enterprises Limited, care of Mr. Harry Wagman re: Deed from Blacam Realities Limited to Valley Farm and Enterprises Limited.
1238. Certified copy of assignment, registered no. 5434C in Registry Office, Prescott Co. dated 10 July, 1963, Traders Realty Limited as assignor, and Hilltop Holdings Limited, assignee re: "To Assign and Secure Payment of \$31,000 and Interest" re Valley Farm.
1239. Photostat of Traders Realty Limited ledger card labelled George Blacklock re: mortgage dated 10 July, 1953, \$144,000.

*Exhibit  
No.*

*Description*

1240. Original letter, four pages, on the letterhead of David M. Samuel, dated 22 August, 1963, addressed to Hilltop Holdings Limited, attention of Mr. Wagman, re: consideration between Hilltop and Traders for assignment was \$42,719.43.
1241. Book of account of N.G.K. Investments Limited for the period from inception of the company to December, 1963.
1242. Book of account of N.G.K. Investments Limited for the period from December, 1963, to the bankruptcy of the company.
1243. Document prepared by Mr. Ingo relating to N.G.K. Investments Limited headed "Share Capital".
1244. Notes certificate book of N.G.K. Investments Limited.
1245. Schedule prepared by Mr. Ingo entitled "N.G.K. Investments Limited Convertible Notes Payable".
1246. Schedule prepared by Mr. Ingo headed "N.G.K. Investments Limited, Notes Payable Aurora Leasing Corporation Limited".
1247. Cheque of N.G.K. Investments Limited dated 2 June, 1961, payable to Solomon and Samuel, In Trust, in amount of \$10,000.00 in partial payment of acquisition of 50,000 shares of Pearlsound Distributors Limited.
1248. Cheque of N.G.K. Investments Limited dated 16 June, 1961, payable to Pro Musica Limited in the amount of \$40,000.00 re: acquisition of 50,000 Pearlsound Shares.
1249. Cheque drawn on Solomon and Samuel Trust Account dated 2 June, 1961 payable to Pro Musica Limited in the amount of \$10,000.00 re: "In Settlement of N.G.K. Investments Limited Purchase from Pro Musica Limited".
1250. Letter dated 28 April, 1964, on the letterhead of British Mortgage & Trust Company signed "Wilf" to C. Powell Morgan re: N.G.K. Investments Limited.
1251. Letter of receipt dated 9 June, 1964, from British Mortgage & Trust Company acknowledging receipt of a certificate for 17,667 common shares and a certificate for \$250,000 7% convertible debentures of Commodore Business Machines (Canada) Limited.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1252.	Letter of receipt dated 9 June, 1964, from British Mortgage & Trust Company, acknowledging receipt of 25,000 common shares of Commodore Business Machines (Canada) Limited.	1264.	Cheque of Valley Farm and Enterprises Limited to C. P. Morgan for \$75,000 dated 31 October, 1962.
1253.	Broker's statement of Barrett, Goodfellow & Company for N.G.K. Investments Limited account for December, 1964.	1265.	Cheque of Valley Farm and Enterprises Limited to W. L. Walton and H. Wagman for \$38,000 dated 10 December, 1962.
1254.	Receipt dated 7 December, 1964, of Barrett, Goodfellow & Company to N.G.K. Investments for delivery of 17,667 shares to the N.G.K. account.	1266.	Cheque of Valley Farm and Enterprises Limited to the Canadian Imperial Bank of Commerce for \$35,000 dated 16 June, 1965—"Re: Draft V81835".
1255.	Letter dated 10 June, 1965, from British Mortgage & Trust Company to N.G.K. Investments Limited asking that the loan of \$250,000 be paid on 90 days notice.	1267.	Drafted dated 16 June, 1965, no. V818355 of the Canadian Imperial Bank of Commerce, payable to Barrett, Goodfellow & Company Limited for \$35,000 which is marked "For Account W. Pahn".
1256.	Copy of a letter dated 22 July, 1964, from N.G.K. Investments Limited to Barrett, Goodfellow & Company being receipt for cheque for finder's fee re: shares of Lucayan Beach Hotel Company Limited.	1268.	Balance sheet prepared by Mr. Ingo, without audit, from the records of Valley Farm and Enterprises Limited, dated 30 June, 1965.
1257.	Balance sheet of N.G.K. Investments Limited as at the date of bankruptcy.	1269.	Certified copy of abstract of title with reference to the I.G.A. Store on Pitt Street in the City of Cornwall, commencing with Instrument No. 34788, and closing with Instrument No. 42348, registered in Registry Office, Stormont Co.
1258.	Analysis of loan account of Valley Farm and Enterprises Limited with Aurora Leasing Corporation Limited.	1270.	Certified copy of Instrument No. 34788 dated 16 September 1957, Peter Bonneville, grantor and George Blacklock, grantee, registered 19 September, 1957, in Registry Office, Stormont Co.
1259.	Books of account of Valley Farm and Enterprises Limited.	1271.	Certified copy of mortgage, Instrument No. 34789, dated 1 October, 1957, George Blacklock, mortgagor and Peter Bonneville, mortgagee, registered in Registry Office, Stormont Co.
1260.	Cancelled cheques of Valley Farm and Enterprises Limited to Canadian Imperial Bank of Commerce, dated 19 October, 1962, for \$52,-247.50—"Re: Walton, Wagman & Morgan".	1272.	Certified copy of mortgage, Registered Instrument No. 39367 dated 4 May, 1959, George Blacklock, mortgagor, and Atlantic Acceptance Corporation Limited, mortgagee, in amount of \$175,000 registered in Registry Office, Stormont Co.
1261.	Photostatic copy of ledger page for account of H. Wagman, C. P. Morgan and W. L. Walton at the Canadian Imperial Bank of Commerce.	1273.	Certified copy of licence agreement registered Instrument No. 40971, Canada Bread Company Limited, party of the first part, and George Blacklock, party of the second part, dated 4 December, 1959, registered in Registry Office, Stormont Co.
1262.	Cheque of Valley Farm and Enterprises Limited to Toronto-Dominion Bank, for \$25,000 dated 26 October 1962—"Re: Loan W. L. Walton, September 28, 1962."		
1263.	Cancelled promissory note in the amount of \$25,000 payable to The Toronto-Dominion Bank signed by William L. Walton and H. Wagman, which was paid on 26 October, 1962.		

<i>Exhibit No.</i>	<i>Description</i>
1274.	Certified copy of Instrument No. 40972, grant dated 15 December, 1959, George Blacklock as grantor, Blacam Realities Limited as grantee, registered in Registry Office, Stormont Co.
1275.	Certified abstract of title, commencing with Instrument No. 36477, registered the 20 of May, 1958, and concluding with Instrument No. 45281, registered 18 October, 1961, in Registry Office, Stormont Co.
1276.	Certified copy of Instrument No. 37761, conveyance dated 9 October, 1958, Irwin Joseph Brown and Stewart John Brown as grantors, and George Blacklock as grantee, registered in Registry Office, Stormont Co.
1277.	Certified copy of Instrument No. 37762, head lease dated 10 October, 1958, George Blacklock as lessor, and B.P. Canada Limited as lessee covering Lot 42 and the West 25 feet of Lot 14, registered in Registry Office, Stormont Co.
1278.	Certified copy of Instrument No. 37763, being a lease and designated "Sub-Lease" dated 10 October, 1958, B.P. Canada Limited sub-lessor, and William George Blacklock sub-lessee, registered in Registry Office, Stormont Co.
1279.	Certified copy of Instrument No. 37764 being a postponement agreement dated 10 October, 1958, between Irwin Brown and John Stewart Brown as vendors, and B.P. Canada Limited as lessee, registered in Registry Office, Stormont Co.
1280.	Certified copy of Instrument No. 3776 being a mortgage dated 10 October, 1958, George Blacklock as mortgagor, and Irwin Joseph Brown and Stewart John Brown as mortgagees, on part Lot 84, Registered Plan 75, and part Lot 85, Registered Plan 75, consideration of \$34,990, registered in Registry Office, Stormont Co.
1281.	Certified copy of Instrument No. 37766 being a mortgage dated 10 October, 1958, between George Blacklock and Atlantic Acceptance Corporation Limited, in consideration for \$115,000, registered in Registry Office, Stormont Co.

<i>Exhibit No.</i>	<i>Description</i>
1282.	Certified copy of Instrument No. 45281—lease dated 24 August, 1961, between George Blacklock as lessor, and Firestone Tire & Rubber Company of Canada Limited, as lessee; registered Plan 21, registered in Registry Office, Stormont Co.
1283.	Certified abstract of title from Registry Office, Registry Division of County of Stormont, commencing with Instrument No. 39368, registered 27 May, 1959, the last entry being Instrument No. G.R. 7217, registered 6 March, 1960.
1284.	Certified copy of mortgage dated 4 May, 1959, Instrument No. 39368, George Blacklock as mortgagor and Atlantic Acceptance Corporation Limited as mortgagee, in amount of \$80,000, registered in Registry Office, Stormont Co.
1285.	Certified copy of grant dated 15 August, 1959, Instrument No. 40970, William George Blacklock as grantor, and B.P. Canada Limited as grantee, in consideration for \$80,000, registered in Registry Office, Stormont Co.
1286.	Certified copy of Instrument No. 41004 being a discharge of mortgage of Instrument No. 39368, dated 28 August, 1969—Atlantic Acceptance Corporation Limited discharge, registered in Registry Office, Stormont Co.
1287.	Certified abstract from Registry Office, Registry Division of County of Stormont, pertaining to Lot 13, Second Concession, in the City of Cornwall commencing with Instrument No. 39902 registered 8 July, 1954 and closing with Instrument No. 58 registered 5 January, 1956.
1288.	Certified copy of abstract of title from Registry Office, Registry Division of County of Dundas, all of Lot 12, Plan 46, Village of Morrisburg, commencing with Instrument No. 2392 B registered 1 September, 1960 and closing with Instrument No. 3436 B registered 24 August, 1961.
1289.	Certified copy of grant dated 20 May, 1960, Hydro Electric Power Commission of Ontario as grantor and Blacam Realities Limited as grantee, in consideration of \$16,-500.00 registered as Instrument No. 2394B in Registry Office, Dundas Co.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1290.	Certified copy of mortgage dated 1 September, 1960, between Blacam Realities Limited as mortgagor, and Atlantic Acceptance Corporation Limited as mortgagee, in consideration of \$52,000.00 registered as Instrument No. 2392B, in Registry Office, Dundas Co.	1302.	File labelled "Valley Music Company Limited, 31 December, 1960", containing working papers for financial statements for 1960 with carbon copy of financial statements.
1291.	Certified copy of mortgage dated 21 September, 1960, between Blacam Realities Limited as mortgagor, and Atlantic Acceptance Corporation Limited as mortgagee, in consideration of \$40,000.00 registered as Instrument No. 2393B, in Registry Office, Dundas Co.	1303.	File labelled "George Blacklock" containing copies of the typed statements for Mr. Blacklock for the years 1951 to 1956, in connection with his used cars and trucks, and Dodge-DeSoto Distributorship.
1292.	General ledger of George Blacklock's personal affairs.	1304.	File labelled "George Blacklock December 31, 1955", containing working papers for 31 December, 1955 financial statements for Mr. Blacklock's used car and real estate operations.
1293.	Combination book of George Blacklock's affairs, containing cash receipts, sales summaries, cheques register and general journal.	1305.	File labelled "George Blacklock December 31, 1956", containing working papers for December, 1956 financial statements of George Blacklock with carbon copy of the financial statements.
1294.	Combination book of Valley Music Company Limited, containing cash receipts, cheque register, general journal and payrolls.	1306.	File labelled "George Blacklock 31 December, 1957", containing working papers for 1957 financial statements of George Blacklock.
1295.	General ledger of Valley Music Company Limited.	1307.	File labelled "George Blacklock 31 December, 1958", containing working papers for 1958 financial statements of George Blacklock.
1296.	Minute book, stock ledger and stock transfer book of Valley Music Company Limited.	1308.	File labelled "George Blacklock 31 December, 1959", containing working papers used in an attempt at preparation of 1959 financial statements of George Blacklock.
1297.	Book containing cash receipts and disbursements of Blacam Realities Limited from November 1959.	1309.	File labelled "George Blacklock", containing working papers for preparation of interim financial statements as of 30 September, 1955.
1298.	Copy of minute book, ledger and stock transfer book of Blacam Realities Limited.	1310.	File labelled "Blacklock, George", in which was maintained a summary of fixed assets of Mr. Blacklock.
1299.	Miscellaneous file containing copies of purchase agreements for acquisition of machines and monthly statements from Atlantic Acceptance Corporation Limited summarizing receipts and disbursements made on behalf of Valley Music Company Limited for the months from January to December, 1960.	1311.	File labelled "Tax Returns George Blacklock", containing copies of Mr. Blacklock's income tax returns for the years 1955 to 1962 inclusive.
1300.	File labelled "Valley Music Company Limited, 31 December, 1961", containing working papers for financial statements for 1961 with carbon copy of financial statements.	1312.	File labelled "Legal Documents George Blacklock", containing copies of miscellaneous legal documents.
1301.	File labelled "Valley Music Company Limited, 31 December, 1962", containing working papers for financial statements for 1962 with carbon copy of financial statements.	1313.	File labelled "George Blacklock Limited, 31 May, 1959", containing working papers for financial statements for George Blacklock Limited for seven-month period ended 31 May, 1959.



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1314.	File labelled "George Blacklock Limited, October 31, 1959", containing working papers for financial statements for George Blacklock Limited for the year ended 31 October, 1959.	1324.	File labelled "Valley Music Company Limited, 31 December, 1956", containing working papers in connection with preparation of financial statements for year ended 31 December, 1958.
1315.	File labelled "George Blacklock Limited", containing typed copies of financial statements for the periods ending 31 May, 1959 and 31 October, 1959.	1325.	File labelled "Valley Music Company Limited, 31 December, 1959", containing working papers in connection with preparation of financial statements for year ended 31 December, 1959.
1316.	File labelled "B. & S. Motors Limited", containing working papers and pencilled financial statements of B. & S. Motors Limited for the year ended 31 December, 1958.	1326.	File labelled "Fixed Assets, Valley Music Company Limited", which maintains the continuity of the fixed assets of Valley Music Company Limited.
1317.	File labelled "B. & S. Motors Limited", containing working papers and pencilled financial statements of B. & S. Motors Limited for the year ended 31 December, 1959.	1327.	File labelled "Valley Music Company Limited", containing corporation tax returns for the period from 31 December, 1956, to 31 December, 1962, inclusive.
1318.	File of B. & S. Motors Limited containing copies of financial statements as at 1 January, 1956, 31 December, 1957 and financial statements for George Blacklock and Garth Stacey for the fiscal periods ending 31 December, 1954 and 31 December, 1955. Also included in file are copies of corporation income tax returns, letters patent, and sundry correspondence re: B. & S. Motors Limited.	1328.	Agreement of purchase and sale dated 12 June, 1961, between William George Blacklock and Aurora Leasing Corporation Limited re: sale of assets and equipment of Valley Farm.
1319.	File labelled "Cornwall Music Company 1954", containing working papers for financial statements for year ended December 31, 1954.	1329.	Schedule "A", which is a photostatic copy of a schedule to the agreement of purchase and sale in Exhibit No. 1328.
1320.	File labelled "Cornwall Music Company 1955", containing working papers for financial statements for year ended December 31, 1955.	1330.	Bill of sale dated 13 June, 1961, between William George Blacklock and Aurora Leasing Corporation Limited showing sale of equipment of Valley Farm at \$25,000.
1321.	File labelled "Cornwall Music Company re: Donald Fielding & Company to 3 December, 1955", re: reconciliation of an account owed by Cornwall Music Company to Donald Fielding & Company.	1331.	Direction to Aurora Leasing Corporation Limited by Mr. Blacklock, directing Aurora to deduct from the purchase price of \$25,000 the following sums: Commercial Credit Corporation \$6,230.01 and Traders Finance Corporation \$6,169.14.
1322.	File labelled "Valley Music Company Limited, 31 December, 1956", containing working papers and carbon copy of financial statements for year ended 31 December, 1956.	1332.	Share certificate book for common shares of Blacam Realities Limited.
1323.	File labelled "Valley Music Company Limited, 31 December, 1957", containing working papers in connection with preparation of financial statements for year ended 31 December, 1957.	1333.	Cheque no. 28, dated 7 November, 1961, from Valley Farm and Enterprises Limited drawn on Canadian Bank of Commerce payable to George Blacklock in the sum of \$200, signed by H. Wagman.
		1334.	Cheque no. 59, dated 22 January, 1962, from Valley Farm and Enterprises Limited drawn on Canadian Bank of Commerce payable to George Blacklock in the sum of \$1,500.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1335.	Cheque no. 60, dated 22 January, 1962, from Valley Farm and Enterprises Limited drawn on Canadian Bank of Commerce payable to George Blacklock in the sum of \$200.	1345.	2 contract agreements re: Operation of account between G. Blacklock and the bank, referred to in affidavit, Exhibit 1344.
1336.	Cheque no. 106, dated 2 May, 1962, from Valley Farm and Enterprises Limited drawn on Canadian Bank of Commerce payable to George Blacklock in the sum of \$1,000.	1346.	Specimen signature card of George Blacklock referred to in affidavit, Exhibit 1344.
1337.	Cheque no. 138, dated 27 July, 1962, from Valley Farm and Enterprises Limited drawn on Canadian Bank of Commerce payable to George Blacklock and Atlantic Acceptance Corporation Limited in the sum of \$1,800 signed by H. Wagman.	1347.	20 ledger cards for account of G. Blacklock for period May 11, 1959 to March 8, 1962 referred to in affidavit, Exhibit 1344.
1338.	Cheque no. 92, dated 10 July, 1961, drawn on account no. 13324 at Guaranty Trust Company of Canada, payable to George Blacklock and Atlantic Acceptance Corporation Limited in the amount of \$6,771.27 signed by William L. Walton.	1348.	37 credit vouchers for account of G. Blacklock for period May 9, 1959 to November 9, 1959 referred to in affidavit, Exhibit 1344.
1339.	Cheque no. 93, dated 10 July, 1961, drawn on Account no. 13324 at Guaranty Trust Company of Canada payable to George Blacklock and Atlantic Acceptance Corporation Limited in the amount of \$3,927.40 signed by William L. Walton.	1349.	37 credit vouchers for account of G. Blacklock for period November 16, 1959 to May 3, 1960 referred to in affidavit, Exhibit 1344.
1340.	Affidavit of H. T. Johnston, Associate Secretary of the Canadian Imperial Bank of Commerce dated 29 December, 1965 re: account no. 979 in the name of Mrs. Enid Mario at Cornwall branch of the bank.	1350.	25 credit vouchers for account of G. Blacklock for period May 5, 1960 to August 1960 referred to in affidavit, Exhibit 1344.
1341.	Three ledger cards, 6 August, 1959 to 30 April, 1963, for account no. 979, referred to in Exhibit 1340.	1351.	25 credit vouchers for account of G. Blacklock for period August 31, 1960 to September 11, 1961 referred to in affidavit, Exhibit 1344.
1342.	46 deposit slips for period August 6, 1959 to August 21 for account no. 979 referred to in affidavit, Exhibit 1340.	1352.	Certified copies of documents on file in the office of Department of Transport signed by the Deputy Registrar of Motor Vehicles, firstly Garage License A11230 for 1965 in the name of Green Valley Motors Ottawa Limited, operated by George Blacklock, secondly Garage License replacement for 1964 no. A9186 and attached thereto an Application Form, signature of applicant being Green Valley Motors Limited with a notation beneath "G. Blacklock".
1343.	41 cheques and debit vouchers for period August 28, 1959 to April 30, 1963 for account no. 979 referred to in affidavits, Exhibit 1340.	1353.	Photostat copies of 6% convertible debentures of Phantom Industries Limited, certificates no. FR012, FR013, FR019, FR022, and FRO23.
1344.	Affidavit of H. T. Johnston, Associate Secretary of the Canadian Imperial Bank of Commerce dated 29 December, 1965, re: current account of George Blacklock at Cornwall branch.	1354.	Photostatic copies of three 7% convertible debenture certificates due September 30, 1972 for General Spray Service Incorporated, No. 4—\$10,000; No. 5—\$10,000; No. 6—\$10,000, with a stamped signature Valley Farm and Enterprises Limited per H. Wagman.
		1355.	Photostatic copy of customer's account no. 35-9853-9 in name of Valley Farm and Enterprises Limited for the period 7 November to 12 November, 1962 being a true copy of original ledger card.

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1356.	Copy of Trading and Commission Report for 6 November, 1962, broker's name, Annett & Company Limited, showing a transaction involving General Spray Debentures.	1366.	Ledger cards of Atlantic Acceptance Corporation Limited dealing with the account of Valley Music Company Limited for the period from 1956 to 31 December, 1958, from the office of Atlantic Acceptance Corporation Limited.
1357.	True copy of a page from a register recording incoming debentures and deliveries to Valley Farm and Enterprises Limited.	1367.	Pencilled schedule by Mr. Elford entitled "Atlantic Acceptance Corporation Limited Account with Blacklock Leasing Company" eight pages in length prepared from the books of original entry of Atlantic Acceptance Corporation Limited.
1358.	Photostatic copy of ledger card of General Spray Service Incorporated for account no. 41-2764-3 for 30 November, 1962.	1368.	Schedule by Mr. Elford entitled "Atlantic Acceptance Corporation Limited Account with Blacklock Leasing Company — Summary of Receipts and Disbursements".
1359.	Photostatic copy of Trading and Commission Report of Annett & Company Limited for 7 November, 1962.	1369.	Chronological analysis by Mr. Elford of Blacklock Leasing Company account at Atlantic Acceptance Corporation Limited from April 30, 1959 to December 31, 1965 prepared from the books of original entry of Atlantic Acceptance Corporation Limited.
1360.	Photostatic copy of cheque no. 183 dated 12 November, 1962, in the amount of \$32,296.88, drawn on the Canadian Bank of Commerce, payable to Annett & Company Limited signed by H. Wagman with a stamped impression reading "Valley Farm and Enterprises Limited".	1370.	Cheque no. 4611 drawn on the Toronto-Dominion Bank dated 6 May, 1959 from Atlantic Acceptance Corporation Limited to Blacklock Leasing Company in amount of \$27,038.85 re: financing of wholesale cars.
1361.	Photostatic copy of original receipt of Atlantic Acceptance Corporation Limited dated 14 November, 1962 re: General Spray Service Incorporated Debentures received from Valley Farm and Enterprises Limited.	1371.	Cheque no. 4612, drawn on the Toronto-Dominion Bank, dated 6 May, 1959, Atlantic Acceptance Corporation Limited to Blacklock Leasing Company in amount of \$24,359.49 re: financing of whole-sale cars.
1362.	Photostat of "Buy Order" (account no. 9521) and "Sell Order" (account no. 0538) with Jenkin Evans & Company Limited.	1372.	Letter dated 27 February, 1961, of Atlantic Acceptance Corporation Limited signed by C. P. Morgan to P. D. McCaughey, Controller, advising that payment to Aurora Leasing should be \$4,043.75 commencing March, 1961.
1363.	Photostat of cheque no. 171 dated 29 October, 1962 drawn on Canadian Bank of Commerce Account of Valley Farm and Enterprises Limited payable to order of Jenkin Evans & Company Limited for \$127,761.88 signed by H. Wagman.	1373.	Statement of account of I.G.A. Store, Cornwall with Atlantic Acceptance Corporation Limited commencing 15 January, 1960 and closing 31 May, 1965.
1364.	Photostat of acknowledgement of trust dated 20 November, 1962, between Commodore Sales Acceptance and Mr. Woolfrey re: receipt of debentures and common shares.	1374.	Ledger card, Atlantic Acceptance Corporation Limited for George Blacklock, Blacam Realities.
1365.	Letter dated 4 March, 1965, David Samuel and Theodore Sherman to Commodore Sales Acceptance attention of Mr. William G. Woolfrey re: Phantom Industries Limited unsecured debentures.		

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1375.	Photostat of cheque no. 1906, dated 25 October 1963, drawn on the account of David M. Samuel at the Canadian Imperial Bank of Commerce, City Hall Branch in favour of Atlantic Acceptance Corporation Limited in amount of \$40,000 re: Valley Farm and Enterprises Limited and George Blacklock. Attached thereto original of letter dated 25 October, 1963, to Atlantic Acceptance Corporation Limited from David M. Samuel re: George Blacklock.	1383.	Certified copy of Instrument No. 159205 dated 30 October, 1961. Mortgage by Wildor Holdings Limited to British Mortgage & Trust Company for \$750,000 registered on 14 December, 1961 in Registry Office, Middlesex Co.
1376.	Certified abstract of title relating to parts of the southerly halves of Lots 15 and 16 in the 3rd Concession of Township of Westminster in the County of Middlesex, from Registry Office of Middlesex Co.	1384.	Certified copy of Instrument No. 161296 dated 2 February, 1962. Mortgage between Wildor Holdings Limited and British Mortgage & Trust Company for \$1,500,000 registered on 9 February, 1962 in Registry Office, Middlesex Co.
1377.	Survey sketch certified by R. W. Kirkpatrick, Ontario Land Surveyor, relating to part of the southerly half of Lot 15 in the 3rd Concession referred to in previous abstract.	1385.	Certified copy of Instrument No. 161454 dated 25 January, 1962. Mortgage (Instrument No. 152401) discharged by Atlantic Acceptance Corporation Limited to Wildor Holdings Limited registered on 14 February, 1962 in Registry Office, Middlesex Co.
1378.	Certified true copy of Instrument No. 147917 for the Township of Westminster between Charles Cousins as grantor and William A. P. King and Dave King as grantees dated 28 March, 1961, from Registry Office of Middlesex Co.	1386.	Certified copy of Instrument No. 161455 dated 25 January, 1962. Mortgage discharged by Atlantic Acceptance Corporation Limited to Wildor Holdings Limited registered on 14 February, 1962 in Registry Office, Middlesex Co. discharging Instrument No. 155297.
1379.	Certified copy of Instrument No. 152400, a conveyance by Messrs. King to Wildor Holdings Limited, registered 11 July, 1961, in Registry Office of Middlesex Co.	1387.	Certified copy of judgment made by His Honour Judge J. D. McCollum on Monday, October 22, 1962, concerning mechanic's liens which affected Wildor Holdings Limited certified by F. H. Anker, Assistant Local Registrar of the Supreme Court of Ontario, London, Ontario.
1380.	Certified copy of Instrument No. 152401—Mortgage made by Wildor Holdings Limited to Atlantic Acceptance Corporation Limited for the sum of \$150,000, registered on July 11, 1961, in Registry Office, Middlesex Co.	1388.	Certified copy of Instrument No. 177817, dated 30 October, 1961, notice of lease between Wildor Holdings Limited and Frederick's Department Store Limited registered on March 5, 1963 in Registry Office, Middlesex Co.
1381.	Certified copy of Instrument No. 155297 dated 12 September, 1961. Mortgage by Wildor Holdings Limited to Atlantic Acceptance Corporation Limited for \$250,000 registered on 15 September 1961 in Registry Office, Middlesex Co.	1389.	Certified copy of Instrument No. 180089 made on April 23, 1963, registered April 30, 1963, being a conveyance from Charles Cousins as grantor to Julia E. Faust as grantee, registered in Registry Office, Middlesex Co.
1382.	Certified copy of Instrument No. 158280 dated 30 October, 1961. Mortgage by Wildor Holdings Limited to British Mortgage & Trust Company for \$750,000 registered on 23 November, 1961 in Registry Office, Middlesex Co.	1390.	Certified copy of Instrument No. 180090, made on 29 April, 1963, registered 30 April, 1963, being a conveyance from Julia Faust as Trustee to Treasure Island Properties Limited as grantee, registered in Registry Office, Middlesex Co.



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1391.	Certified copy of Instrument No. 180091, made on 26 April, 1963, being a conveyance by British Mortgage & Trust Company as grantor to Treasure Island Properties Limited as grantee, registered in the Registry Office, Middlesex Co.	1399.	Certified copy of Instrument No. 201149, dated 16 July, 1964 postponement — Agreement between Aurora Leasing Corporation Limited and Atlantic Acceptance Corporation Limited registered 20 July, in Registry Office, Middlesex Co.
1392.	Certified copy of Instrument No. 180092, registered 30 April, 1963, Mortgage by Treasure Island Properties Limited to British Mortgage & Trust Company for \$1,100,000, registered in Registry Office, Middlesex Co.	1400.	Survey certified by Ontario land surveyor Donald Holstead relating to part of Lot 26 & Lot 25 in the Second Concession, Township of Westminster, which is White Oaks Shopping Centre Limited.
1393.	Certified copy of Instrument No. 180093, made on 29 April, 1963, registered 30 April, 1963, being notice of lease between Treasure Island Properties Limited and Treasure Island Gardens Limited, registered in Registry Office, Middlesex Co.	1401.	Abstract of title certified by I. Wickerson, Deputy Registrar, Registry Office for Registry Division of the east and north ridings of the County of Middlesex, re: part of Lots 25 and 26 in the Second Concession in the City of London formerly in the Township of Westminster.
1394.	Unregistered copy of lease between Treasure Island Properties Limited and Treasure Island Gardens Limited.	1402.	Certified copy of Instrument No. 165606, dated 9 May, 1962, mortgage of South London Corporation Limited to Capital Funds (I.A.C. Ontario) Limited for \$2,600,000 registered 30 May, 1962 in Registry Office, Middlesex Co.
1395.	Certified copy of Instrument No. 180094, dated 29 April, 1963, mortgage of the leasehold of Treasure Island Gardens Limited to Atlantic Acceptance Corporation Limited for \$500,000, registered April 30, 1963, in Registry Office, Middlesex Co.	1403.	Certified copy of Instrument No. 165607, dated 9 May, 1962, mortgage between David Rubinoff as mortgager and Capital Funds (I.A.C. Ontario) Limited as mortgagee registered 30 May, 1962, in Registry Office, Middlesex Co.
1396.	Certified copy of Instrument No. 180095, dated 25 April, 1963, Mortgage made by Treasure Island Properties Limited to Aurora Leasing Corporation Limited for \$800,000 registered April 30, 1963 in Registry Office, Middlesex Co.	1404.	Certified copy of Instrument No. 171725, dated 18 April, 1962, Lease made by South London Corporation Limited as lessor to Sayvette Limited as lessee registered 3 October 1962, in Registry Office, Middlesex Co.
1397.	Certified copy of Instrument No. 201147, dated 16 July, 1964, leasehold mortgage amending agreement between Treasure Island Gardens Limited and Atlantic Acceptance Corporation Limited registered July 20, 1964 in Registry Office, Middlesex Co.	1405.	Certified copy of Instrument No. 171728, dated 1 October, 1962, assignment of leases between South London Corporation Limited and Capital Funds (I.A.C. Ontario) Limited registered 3 October, 1962 in Registry Office, Middlesex Co.
1398.	Certified copy of Instrument No. 201148, dated 16 July, 1964, assignment of mortgages between Atlantic Acceptance Corporation Limited and British Mortgage & Trust Company for \$750,000 registered 20 July, 1964 in Registry Office, Middlesex Co.	1406.	Certified copy of Instrument No. 176530, dated 9 January, 1963, mortgage made to South London Corporation Limited to Coronation Investment Company Limited for \$375,000 registered 1 February, 1963 in Registry Office, Middlesex Co.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1407.	Certified copy of Instrument No. 188682, dated 22 October, 1963, South London Corporation Limited sold lands to Donald Walter Reid as trustee for \$1,953,197, registered 25 October 1963 in Registry Office, Middlesex Co.	1418.	File obtained from D. W. Reid's office entitled "Treasure Island Properties Limited re: British Mortgage & Trust Company sale to Treasure Island".
1408.	Certified copy of Instrument No. 188683, dated 22 October, 1963, conveyance by David Rubinoff to Donald Walter Reid as trustee, registered 25 October 1963 in Registry Office, Middlesex Co.	1419.	File obtained from D. W. Reid's office entitled "Sentry Department Stores Correspondence".
1409.	Certified copy of Instrument No. 192425 dated 24 October, 1963, mortgage D. W. Reid as trustee to Aurora Leasing Corporation Limited for \$500,000, registered 15 January 1964 in Registry Office, Middlesex Co.	1420.	File obtained from D. W. Reid's office entitled "Sonotronics Corporation of America" containing miscellaneous documents.
1410.	Certified copy of agreement no. 216856 dated 2 June, 1965, between South Wellington Properties Limited as lessor and Sayvette Limited as lessee, registered 16 June 1965 in Registry Office, Middlesex Co.	1421.	File obtained from D. W. Reid's office entitled "Marco Holdings Limited re: Incorporation".
1411.	Certified copy of Instrument No. 221829 of July 15, 1965, grant of D. W. Reid as trustee to South Wellington Properties Limited as grantee, registered 15 September, 1965 in Registry Office, Middlesex Co.	1422.	File obtained from D. W. Reid's office entitled "South Wellington Properties Limited re: Sayvette Lease".
1412.	File obtained from D. W. Reid's office entitled "British Mortgage & Trust Company Loan to Wildor Holdings Limited."	1423.	File obtained from D. W. Reid's office entitled "South Wellington Properties Limited re: purchase of White Oaks Shopping Centre and Treasure Island Shopping Centre".
1413.	File obtained from D. W. Reid's office entitled "Frederick's Department Store Limited re: Incorporation and re: Treasure Island".	1424.	File obtained from D. W. Reid's office entitled "South Wellington Properties Limited, Plans and Surveys".
1414.	Photocopy of file obtained from D. W. Reid's office entitled "British Mortgage & Trust Loan to Wildor Holdings Limited".	1425.	File obtained from D. W. Reid's office entitled "South Wellington Properties Limited—Agreements".
1415.	File obtained from D. W. Reid's office entitled "Wildor Holdings Limited re: Coronation Investment Company Mortgage and Correspondence".	1426.	Schedule prepared by Mr. Parkes showing shareholders of Frederick's Department Store Limited.
1416.	File obtained from D. W. Reid's office entitled "Treasure Island Shopping Centre—Purchase from B.M. & T." containing Deeds and Mortgages.	1427.	Copy of a lease dated 30 October, 1962 between Wildor Holdings Limited and Frederick's Department Store — Frederick's Department Store renting a store in Treasure Island Shopping Centre.
1417.	File obtained from D. W. Reid's office entitled "Treasure Island Shopping Centre — Mr. Reid's notes".	1412.1	Letter dated 31 May, 1961, F. C. Adams to D. W. Reid—From a file from Mr. Reid's office — Stating terms under which he would sell F. C. Adams Limited to participate in new venture to be called Frederick's Department Store Limited.
		1412.2	Letter dated 3 July, 1961, D. W. Reid to Powell Morgan — From a file from Mr. Reid's office — Re: forming of Frederick's Department Store Limited.
		1428.	Letter dated 13 July, 1961, John Frame & Company to C. Powell Morgan re: financing of Frederick's Department Store signed by J. A. Brewster.

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1429. Certified cheque dated 13 November, 1961, Frederick's Department Store Limited to F. C. Adams, \$244,232.00 re: purchase of all the shares of F. C. Adams Limited.
- 1413.1 Letter dated 20 July, 1961, to Don Reid, Esq., from C. P. Morgan per B. L. McFadden re: incorporation of Frederick's Department Store Limited.
- 1412.3 Three pages of handwritten notes headed "re: Frederick's" taken from a file from Mr. Reid's office—Notes on incorporation of Frederick's Department Store Limited.
1430. Copy of report by Mr. F. C. Adams in January, 1963, headed "Report on Operations for 1962"—Operations of Frederick's Department Store Limited. Attached is copy of letter dated 23 January 1963 to C. P. Morgan from F. C. Adams regarding announcement of his resignation as President of Frederick's Department Store Limited.
- 1413.2 Letter marked "Private and Confidential" dated 10 October, 1963, D. W. Reid for Reid and McKillop to C. Powell Morgan, c/o Atlantic Acceptance Corporation Limited enclosing original and draft list of shareholders of Frederick's Department Store Limited—From a file taken from Mr. Reid's office.
1431. Schedule of loans to Frederick's Department Store Limited from Commodore Sales Acceptance Limited, Adelaide Acceptance Limited and Aurora Leasing Corporation Limited, prepared by Mr. Parkes.
1432. Debenture dated 31 October, 1962 from Frederick's Department Store Limited to Adelaide Acceptance Limited to secure Adelaide loan of \$600,000.
1433. Folder containing photostats of clients' trust ledger sheets, cancelled cheques and related documents from files of D. W. Reid re:
- (a) Wildor Holdings Limited re: Treasure Island Shopping Centre.
  - (b) British Mortgage & Trust Company re: Wildor Holdings Limited.
  - (c) Treasure Bowl Limited.
  - (d) British Mortgage & Trust re: King Shopping Plaza.

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1434. Folder containing photostats of clients' trust ledger sheets and cancelled cheques from files of D. W. Reid re:
- (a) Treasure Island Properties Limited.
  - (b) Aurora Leasing Corporation Limited re: Treasure Island Properties Limited.
  - (c) Treasure Island Properties Limited re: share agreement.
  - (d) Treasure Island Properties Limited re: Devereaux & Hagarty.
  - (e) Julia E. Faust (Trust) Sale to Treasure Island Properties Limited.
  - (f) Julia E. Faust (In Trust) re: purchase from Cousins.
  - (g) Treasure Island Gardens.
  - (h) Atlantic Acceptance Corporation Limited re: Treasure Island Gardens Limited.
1435. Folder containing photostats of clients' trust ledger sheets and cancelled cheques from files of D. W. Reid re:
- (a) Frederick's Department Store.
  - (b) Atlantic Acceptance re: F. C. Adams Limited.
  - (c) Atlantic Acceptance re: Frederick's Petroleums.
1436. Folder containing photostats of clients' trust ledger sheets and cancelled cheques from files of D. W. Reid re:
- (a) Marco Holdings Limited: NGK (?)
  - (b) Marco Holdings Limited re: Sonotronics (Eastern Sound Studios).
1437. Folder containing photostats of clients' trust ledger sheets and cancelled cheques from files of D. W. Reid re:
- (a) London Lighthouse Investments Limited re: Oakville Project.
  - (b) British Mortgage & Trust Company re: Sentry Department Stores Ltd.
  - (c) Atlantic Acceptance Corporation re: Sentry.
  - (d) D. W. Reid as Trustee re: White Oaks.
- 1413.3 Copy of letter from Mr. Reid's files, dated 31 October, 1962 from D. W. Reid to C. P. Morgan, Atlantic Acceptance Corporation Limited re: Adelaide Acceptance Limited and Frederick's Department Store Limited.

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1438.	Schedule prepared by Mr. Parkes showing:		Mortgage & Trust Company re: Wildor Holdings Limited—Treasure Island Shopping Centre mortgage application.
	(a) Payments by Frederick's Department Store Limited to N.G.K. Investments Limited comprising \$25,000.00 fee.	1414.2	Photocopy of letter from office of D. W. Reid dated 29 September, 1961, from W. A. Pike, Mortgage Manager, British Mortgage & Trust Company to Purcell, Downey, Reid, MacKenzie & Raymond re: Wildor Holdings Limited—Treasure Island Shopping Centre.
	(b) N.G.K.'s investments in Frederick's detailing purchase of shares in Frederick's Department Store Limited.	1414.3	Photocopy of letter from office of D. W. Reid, dated 27 December, 1961, from British Mortgage & Trust Company to Reid & McKillop, re: mortgage, Treasure Island Shopping Centre — Wildor Holdings Limited.
1412.4	Three pages of handwritten notes from a file from Mr. Reid's office re: debenture for \$600,000 N.G.K. Investments Limited shares in Frederick's Department Store Limited.	1446.	Letter from files of British Mortgage & Trust Company dated 28 December, 1961, from Reid & McKillop signed by D. W. Reid to British Mortgage & Trust Company re: mortgage, Wildor Holdings Limited — Treasure Island Shopping Centre.
1439.	Bundle of notes obtained from Frederick's Department Store Limited and photocopies of notes held by Montreal Trust Company to Aurora Leasing Corporation Limited with certain attached letters re: money being advanced from Aurora to Frederick's.	1447.	Photocopy of cheque issued by Atlantic Acceptance Corporation Limited, in the amount of \$99,000.00 on 11 December, 1961 to Wildor Holdings Limited — From offices of Atlantic Acceptance Corporation Limited.
1440.	Unaudited statement of affairs of Frederick's Department Store Limited regarding assignment in bankruptcy prepared by The Clarkson Company dated 15 July, 1965.	1448.	Photocopy of cheque issued by Atlantic Acceptance Corporation Limited, in the amount of \$66,000.00 on 11 December, 1961 to Wildor Holdings Limited — From offices of Atlantic Acceptance Corporation Limited.
1441.	Lease on Equipment dated 1 December, 1961, between Aurora Leasing Corporation Limited signed by H. Wagman as Secretary-Treasurer for Aurora and Frederick's Department Store Limited signed by Messrs. Adams & Reid.	1449.	Books of account of Wildor Holdings Limited from office of D. G. King, Director of Wildor Holdings Limited.
1442.	Lease on equipment dated 8 March, 1963, between Aurora Leasing Corporation Limited signed by J. C. Laidlaw and Frederick's Department Store Limited signed by Mr. Olver and Mr. Reid.	1414.4	Letter taken from office of D. W. Reid, dated 31 January, 1962, from British Mortgage & Trust Company to Reid & McKillop re: Wildor Holdings Limited — Treasure Island Shopping Centre — Approval of increase of mortgage to \$1,500,000.
1443.	Schedule prepared by Mr. Parkes headed "Wildor Holdings Limited — Mortgage Schedule — Atlantic Acceptance Corporation Limited."	1414.5	Letter taken from office of D. W. Reid dated 11 June, 1962, British Mortgage & Trust Company to Reid & McKillop re: Wildor Holdings Limited — Treasure Island Shopping Centre — Re: maturity date of mortgage.
1444.	Schedule prepared by Mr. Parkes headed "Wildor Holdings Limited —British Mortgage & Trust Company—Mortgage Schedule".		
1445.	Letter from files of British Mortgage & Trust Company dated 15 November, 1961 from Reid & McKillop to British Mortgage & Trust Company re: Wildor Holdings Limited.		
1414.1	Photocopy of letter from office of D. W. Reid dated 27 September, 1961, from Purcell, Downey, Reid, MacKenzie & Raymond to British		



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1450.	Books of account of Frederick's Department Store Limited, from office of Clarkson, Gordon & Company, London.	1416.1	Offer to purchase dated 25 March, 1963, between Donald Walter Reid as trustee for a company to be incorporated, and British Mortgage & Trust Company in the amount of \$1,801,000 re: Treasure Island Shopping Centre — From office of D. W. Reid.
1451.	Deposit slip to account of Frederick's Department Store Limited dated 17 November, 1961, in amount of \$235,000.00 being 3 cheques from F. C. Adams totalling \$210,000 and one from D. W. Reid in amount of \$25,000—From office of Clarkson, Gordon & Company, London.	1416.2	Letter dated 27 March, 1963, from British Mortgage & Trust Company to Messrs. Reid & McKillop, attention Mr. Donald W. Reid, re: Treasure Island Shopping Centre, offer to purchase — From office of D. W. Reid.
1452.	General ledger of Dave King Construction Company Limited, from office of D. G. King.	1416.3	Offer to purchase dated 1 April, 1963, between British Mortgage & Trust Company and Donald Walter Reid, as trustee in the amount of \$1,700,000 re: Treasure Island Shopping Centre — From office of D. W. Reid.
1412.5	Letter dated 27 February, 1962 from D. D. Crawford, Branch Manager of Coronation Investment Company Limited to D. W. Reid, from Mr. Reid's office re: Wildor Holdings, mortgage financing.	1417.1	Series of sheets of paper containing notes in pen and pencil from files of Reid & McKillop entitled "Mr. Reid's notes" re: Treasure Island Shopping Centre.
1415.1	Commitment letter dated 14 May, 1962, from Mr. D. L. Clayton, President, Coronation Investment Company Limited to Wildor Holdings Limited, c/o Mr. D. W. Reid, taken from Mr. Reid's office — Re: Mortgage financing. Agreement to terms and conditions of mortgage, signed by William King and David Gordon King, typewritten at end of letter.	1453.	A report of The Clarkson Company Limited dated 4 January, 1963, addressed to the creditors of Treasure Island Shopping Centre.
1414.6	Photocopy of letter dated 13 September, 1962, from W. A. Pike, Mortgage Manager of British Mortgage, to Messrs. Reid & McKillop re: increased financing for Treasure Island.	1416.4	File from the office of Reid & Associates re: statement of adjustments as of April 1, 1963 on sale price of Treasure Island Shopping Centre by British Mortgage & Trust Company to Treasure Island Properties Limited.
1414.7	Photocopy of pencilled notation taken from the files of Reid & McKillop re: Wildor Holdings Limited.	1454.	Handwritten statement of adjustments schedule, dated as of 1 April, 1963, taken from the files of British Mortgage & Trust Company re: sale of Treasure Island Shopping Centre.
1412.6	True copy of letter marked "Private and Confidential" dated 14 September, 1962, to C. Powell Morgan, care of Atlantic Acceptance Corporation Limited from Reid & McKillop re: Mr. Morgan's interest in purchasing Wildor Holdings Limited, from office of D. W. Reid.	1455.	"Credit Statement and Investigation Report" form of Atlantic Acceptance Corporation Limited bearing date 29 April, 1963, re: Treasure Island Gardens Limited with attached handwritten memorandum re: Treasure Island Properties Limited.
1414.8	Photocopy of letter marked "Private and Confidential" dated 29 January, 1963, from Reid & McKillop to Mr. W. Gregory re: sale of Treasure Island Shopping Centre, London by British Mortgage & Trust Company — From office of D. W. Reid.	1456.	Atlantic Acceptance Corporation Limited ledger card in the name of "Treasure Island Gardens Limited" re: \$500,000 loan advanced in 1963.



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1457.	Schedule prepared by Mr. Parkes setting out advances by Atlantic Acceptance Corporation Limited to Treasure Island Gardens Limited.	1421.2	Bill on Reid & McKillop's letter-head to "Marco Holdings Limited, Trustee re: N.G.K.", dated 30 December, 1963.
1458.	File headed "Treasure Island Properties Lease to Gardens Land Lease)" from the office of Reid and Associates containing original and one carbon of land lease dated 29 April, 1963, but unexecuted.	1464.	Typewritten schedule prepared by Mr. Parkes showing receipts and disbursements of D. W. Reid trust account re: Marco Holdings Limited.
1458.1	Original typewritten copy of unexecuted lease, from Exhibit 1458, between Treasure Island Properties Limited and Treasure Island Gardens Limited dated 29 April, 1963.	1465.	Chart prepared by Mr. Parkes showing disbursements by Marco Holdings Limited of \$93,981.50, which was paid from the Faust Trust to Marco Holdings Limited.
1459.	Letter marked "Private and Confidential" dated 14 May, 1963 to Frederick's Department Store Limited from Reid & McKillop "Re: Marco Holdings Limited Loan to Frederick's Department Store Limited", from files of Frederick's Department Store Limited.	1466.	Photostat of deposit slip from the Toronto-Dominion Bank, London, of savings account 6165, in the name of Donald Reid in the amount of \$4,950.00.
1421.1	Copy of unexecuted promissory note in the amount of \$50,000, payable by Frederick's Department Store to Marco Holdings Limited, from files of Reid and Associates.	1467.	Books of account of Treasure Island Properties Limited.
1460.	Letter dated 10 July, 1963, to Frederick's Department Store Limited from Reid & McKillop re: further loan of \$35,000 from Marco Holdings Limited to Frederick's Department Store Limited.	1468.	Handwritten series of entries or notes obtained from the office of Mr. H. Wagman regarding \$9000 loan payable to C. P. Morgan, H. Wagman & D. W. Reid, which is entered in the ledger of Treasure Island Properties Limited on 31 May, 1964.
1461.	Schedule prepared by Mr. Parkes showing interest payments by Frederick's Department Store Limited to Reid & McKillop, In Trust.	1469.	Chart prepared by Mr. Parkes headed "Treasure Island Properties Limited Share Agreement Reid & McKillop Trust Account".
1462.	Letter from files of Aurora Leasing Corporation Limited dated 9 March, 1964, addressed to Mr. Harry Wagman care of Aurora Leasing Corporation Limited from Reid & McKillop enclosing promissory note in favour of N.G.K. Investments Limited in amount of \$85,000, from Frederick's Department Store Limited.	1470.	Chart prepared by Mr. Parkes headed "The Faust Deal" which shows the Julia Faust Trust Account purchase of land from Charles Cousins and the Faust sales to Treasure Island Properties Limited.
1463.	Memorandum from Don Reid to Mr. Chusid, dated 2 June, 1964, taken from office of Harry Wagman re: N.G.K. Investments Limited, Marco Holdings Limited and Frederick's Department Store Limited.	1471.	Handwritten letter from records of British Mortgage & Trust Company dated 9 July, 1964, addressed to British Mortgage & Trust Company, signed by C. Powell Morgan, President of Atlantic Acceptance Corporation Limited re: loan to Treasure Island Gardens Limited.
		1472.	Copy of letter from records of British Mortgage & Trust Company dated 10 July, 1964, from British Mortgage & Trust Company addressed to Mr. C. Powell Morgan, President of Atlantic Acceptance Corporation Limited, re: loan to Treasure Island Gardens Limited and security for the loan.

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1473. Reporting letter, from records of British Mortgage & Trust Company, dated 21 July, 1964, from office of Reid, Menzies and Creighton, signed by J. L. Menzies to the attention of Mr. W. Gregory re: Treasure Island Gardens Limited enclosing original promissory note given by Treasure Island Gardens to Atlantic Acceptance in sum of \$750,000.
1474. Letter dated 22 July, 1964, from Wilfrid P. Gregory, British Mortgage & Trust Company to the attention of Mr. Menzies of Reid, Menzies and Creighton acknowledging receipt of promissory note re: Treasure Island Gardens Limited, from office of D. W. Reid.
1475. Original letter from files of British Mortgage & Trust Company dated 23 October, 1964, addressed to British Mortgage & Trust Company, written by W. E. Pahn, on behalf of Treasure Island Gardens Limited re: details of \$750,000 mortgage from British Mortgage & Trust for August 31, 1964 financial statement.
1476. Copy of letter from files of British Mortgage & Trust Company dated 28 October, 1964, addressed to Treasure Island Gardens Limited from British Mortgage & Trust Company, stating there was no mortgage held.
1477. Return filed with the Registrar of Loan and Trust Corporations of British Mortgage & Trust Company under the Trust Companies Act, as at 31 October, 1964, showing \$750,000 loan as guaranteed short term note, guaranteed by Atlantic Acceptance Corporation Limited.
1478. Letter from files of British Mortgage & Trust Company dated 22 October, 1964, addressed to C. Powell Morgan, President, Atlantic Acceptance Corporation Limited, from British Mortgage & Trust Company, signed by J. D. Gordon, Assistant Treasurer, re: maturity of \$750,000 loan to Atlantic Acceptance Corporation Limited on security of a mortgage of Treasure Island Gardens Limited.
1479. Financial statement of Treasure Island Properties Limited as at 31 March, 1965, prepared without

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- audit by Wagman, Fruitman and Lando, showing loss for the year of \$64,928.41.
1480. Schedule prepared by Mr. Parkes of loans from Aurora Leasing Corporation Limited to Treasure Island Properties Limited.
1481. Schedule prepared by Mr. Parkes of Loans made by Treasure Island Properties Limited to Treasure Island Gardens Limited.
- 1418.1 Letter from file of Reid & Associates dated 2 November, 1964 to Donald W. Reid from Solomon & Singer signed by Carl M. Solomon, re: Treasure Island Properties Limited incorporation and execution of mortgages in favour of British Mortgage & Trust Company and Aurora Leasing Corporation Limited.
- 1418.2 Copy of letter from file of Reid & Associates dated 5 November, 1964, to Solomon & Singer from Reid, Menzies, Creighton & Getliffe re: appointment of new directors of Treasure Island Properties Limited.
- 1418.3 Copy of letter marked "Private and Confidential" dated 25 September, 1964, to Harry Wagman from Reid, Menzies & Creighton re: duties of executive personnel of Treasure Island Properties Limited, from office of D. W. Reid.
- 1424.1 Agreement, dated 22 October, 1963, between South Wellington Properties Limited, and David Rubinoff taken from the offices of Reid and Associates and attached commitment letter from C. P. Morgan, President, Atlantic Acceptance Corporation Limited to South Wellington Properties Limited.
1482. Schedule prepared by Mr. Parkes showing incorporating shareholders of South Wellington Properties Limited, issue of shares to R. L. Bonnie, D. W. Reid and E. B. Bishop.
1483. Unsigned copy of agreement of purchase and sale and transfer of White Oaks Shopping Centre to South Wellington Properties Limited dated 23 October, 1963, between Donald Walter Reid as trustee, and South London Corporation Limited — From office of D. W. Reid.

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1484.	Letter from records of British Mortgage & Trust Company dated 31 January, 1964, to Mr. William A. Pike from Reid & McKillop re: Frederick's Department Store Limited—shareholders being given option to purchase one common share of South Wellington Properties Limited at price of \$1.00 per share for each four common shares held in Frederick's.	1493.	Chart prepared by Mr. Parkes entitled "South Wellington Properties Limited — Proposed Re-Organization Based on Memorandum of Harry Wagman, 6 November, 1963".
1485.	Copy of notice, undated, addressed "To the Shareholders of Frederick's Department Store Limited" with notice of acceptance for shareholder's signature.	1494.	Schedule of shareholders of Frederick's Department Store Limited as at 15 July, 1965, prepared by Mr. Parkes.
1486.	Unsigned copy of letter from files of British Mortgage & Trust Company dated 7 February, 1964 to Messrs. Reid & McKillop, from Mr. Pike, Mortgage Manager of British Mortgage & Trust re: Frederick's Department Store Limited—shares.	1495.	Copy of lease dated March, 1965, between South Wellington Properties Limited and Sentry Department Stores Limited re: rental of premises, furniture, equipment etc. of Frederick's Department Store.
1487.	Typewritten memorandum headed "South Wellington Properties Limited" dated 6 November, 1963, taken from offices of Mr. H. Wagman and attached handwritten notes re: incorporation of South Wellington Properties Limited and exchange of shares.	1496.	Schedule prepared by Mr. Parkes setting out entries on trust ledger of Reid & Associates concerning British Mortgage & Trust Company loans to Sentry Department Stores Limited.
1488.	Set of handwritten working papers from the office of Mr. Wagman, headed "In order to "flatten out" the Treasure Island Companies".	1497.	Ledger sheet of Atlantic Acceptance Corporation Limited headed "Reid & Associates, Demand, \$1,800,000.00."
1489.	Set of handwritten papers headed, "Projected Operating Costs White Oaks Shopping Centre" with attached proposed journal entries and typed pro forma balance sheet of South Wellington Properties Limited, from office of H. Wagman.	1498.	Demand note of Atlantic Acceptance Corporation Limited, no. 3394, for \$1,800,000.00 to Reid & Associates, dated 5 May, 1965.
1490.	Number of handwritten sheets setting out indebtedness of White Oaks Shopping Centre followed by notes on possible procedure and end result, from office of H. Wagman.	1499.	Cheque issued by Atlantic Acceptance Corporation Limited dated 21 May, 1965, for \$1,803,353.42 payable to Toronto-Dominion Bank, London.
1491.	Series of handwritten pages of journal entries, the first page being pro forma balance sheet of South Wellington Properties Limited, from office of H. Wagman.	1500.	Office copy of cheque (Exhibit 1499) issued by Atlantic Acceptance Corporation Limited to Toronto-Dominion Bank, London, dated 21 May, 1965 with notation "Short Term Note in favour of Reid & Associates, dated May 5, 1965 maturing on demand. Called for Payment May 21, 1965, \$1,800,000 plus interest for 16 days at 4¼ per cent, \$3,353.42."
1492.	Handwritten sheet commencing "White Oaks—March 31, 1965", from office of H. Wagman.	1419.1	Direction, dated 30 April, 1965, to Reid & Associates from Sentry Department Stores Limited and Reno Financial Corporation Limited re: British Mortgage & Trust Company Loans to Sentry Department Stores Limited and Reno Financial Corporation Limited.
1423.1	Six sheets taken from the offices of Reid & Associates, headed "South Wellington Properties Limited", being handwritten notes.	1419.2	Direction, dated 27 May, 1965, to Reid & Associates from Sentry Department Stores Limited and Reno Financial Corporation Limited re: disbursement of \$2,000,000 loan, from office of D. W. Reid.



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1419.3	Copy of reporting letter dated 28 June, 1965, to Mr. Samuel Ciglen, Q.C., from Reid & Associates re: Sentry Department Stores Limited listing enclosures being deed, correspondence, copies of mortgages etc. and two statements attached to letter headed "Statement of Moneys Received and Disbursed," from office of D. W. Reid.	1422.2	Letter dated 16 December, 1964 addressed to Mr. Donald Reid, signed by George H. Weinrott, Cimcony Limited re: Sayvette guarantee.
1501.	Copy of letter found in files of H. Wagman dated 16 June, 1965, to David Auer, the Auer Mortgage Company, from Reid & Associates re: South Wellington Properties Limited enclosing list of shareholders in South Wellington Properties Limited.	1422.3	Copy of letter from office of D. W. Reid dated 7 December, 1964, addressed to Mr. G. H. Weinrott in care of Cimcony Limited, Nassau, from Reid, Menzies and Creighton re: South Wellington Properties and Sayvette.
1502.	Copy of letter dated 31 October, 1963, to Messrs. C. P. Morgan, William L. Walton and Harry Wagman from D. W. Reid guaranteeing payment of three notes payable to P. R. Connolly Construction Limited by White Oaks Shopping Centre.	1422.4	Memorandum from office of D. W. Reid dated 26 November, 1964, addressed to D. Reid from G. H. Weinrott, subject, South Wellington Properties-Sayvette agreement.
1419.4	Letter from file of Reid & Associates dated 28 April, 1965, addressed to Messrs. Reid, Menzies, Creighton and Getliffe from British Mortgage & Trust Company re: security on British Mortgage loans to Sentry Department Stores Limited and Reno Financial Corporation Limited.	1422.5	Copy of letter from office of D. W. Reid dated 24 November, 1964, from George H. Weinrott, Cimcony Limited addressed to Mr. David Auer, the Auer Mortgage Company re: leases Frederick's Department Store to Sentry Department Stores Limited.
1503.	Letter from files of Victoria and Grey Trust Company dated 10 November, 1965, from Reid & Associates, addressed to Victoria and Grey Trust Company, attention of Mr. W. A. Pike re: Frederick's Department Store Limited issuing of 25,000 shares to British Mortgage & Trust Company as a bonus in respect of mortgages to Sentry Department Stores Limited.	1422.6	Letter dated 24 November, 1964, addressed to Mr. Don Reid, signed by George H. Weinrott, Cimcony Limited re: application for \$1,800,000 loan on Gem Stores in Toronto and Ottawa.
1420.1	Copy of letter from office of Reid & Associates dated 3 January, 1963, addressed to Mr. C. Powell Morgan, in care of Atlantic Acceptance Corporation Limited from Reid & McKillop re: Marco Holdings Limited enclosing trust cheque in amount of \$400.	1504.	List of fees on major transactions —D. W. Reid, prepared by Mr. Parkes.
1422.1	Copy of letter from office of Reid & Associates dated 22 December, 1964, addressed to Mr. G. H. Weinrott, President of Cimcony, Nassau, from Reid, Menzies, Creighton and Getliffe re: Sayvette Lease.	1425.1	Two pages of handwritten notes from the files of Reid & Associates re: various companies.
		1505.	Letter dated 15 June, 1961 from Blaney, Pasternak, Luck, etc. to Purcell, Downey, Reid and Associates re: cancellation of proposed Mortex purchase from King Construction Company.
		1506.	Form of release dated 29 April, 1963, purportedly signed by William King and David King releasing all right and title in lands and premises known as Treasure Island Shopping Centre in favour of Treasure Island Properties Limited.
		1507.	Letter from files of Atlantic Acceptance Corporation Limited dated 15 December, 1961, from C. Powell Morgan, President, Atlantic Acceptance Corporation Limited, to P. D. McCaughey, Comptroller of Atlantic Acceptance Corporation Limited re: reserve dealer account —Omer Poirier.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1508.	Memorandum dated 23 January, 1962, from W. Irvine to Ross Stewart, Cornwall re: increase in dealer reserve from 5% to 10% to Valley Farm and Enterprises Limited on all "cow paper" purchased.	1515.	Cheque no. 23079 from head office of Atlantic Acceptance Corporation Limited, dated 13 August, 1962, in the amount of \$1,600.00 payable to Valley Farm and Enterprises Limited, from head office of Atlantic Acceptance Corporation Limited.
1509.	Memorandum from files of Atlantic Acceptance Corporation Limited dated 19 December, 1962, addressed to branch managers of Atlantic Acceptance Corporation Limited from the head office of Atlantic stating that Valley Farm and Enterprises Limited is the dealer for all cattle deals and recourse is to that company.	1516.	Analysis entitled "Valley Farm and Enterprises Limited, Dealer Reserve, Brockville Branch" prepared by Mr. McLoughlin for the period November, 1961 to January 1, 1963.
1510.	Memorandum from files of Atlantic Acceptance Corporation Limited dated 3 January, 1963, addressed to all branch managers of Atlantic Acceptance Corporation Limited from the head office of Atlantic re: reserve of 27½% of gross finance charge to be set up for Valley Farm and Enterprises Limited.	1517.	Two ledger cards from head office of Atlantic Acceptance Corporation Limited and one working paper analysis re: dealer reserve accounts, Ottawa branch, Atlantic Acceptance Corporation Limited.
1511.	Ledger card for the Brockville branch of Atlantic Acceptance Corporation Limited labelled "Valley Farm Hayden Dawson, Dealer," 9/110—Obtained from head office of Atlantic Acceptance Corporation Limited.	1518.	Four ledger cards from head office of Atlantic Acceptance Corporation Limited and one working paper analysis prepared by Mr. McLoughlin re: dealer reserve accounts, Kingston branch, Atlantic Acceptance Corporation Limited.
1512.	Cheque no. 12227, stamped "Brock 9" dated 20 February, 1962, from head office of Atlantic Acceptance Corporation Limited in the amount of \$1,482.80 payable to Valley Farm and Enterprises Limited, obtained from head office of Atlantic Acceptance Corporation Limited.	1519.	One ledger card from head office of Atlantic Acceptance Corporation Limited and one working paper analysis prepared by Mr. McLoughlin re: dealer reserve account, London branch, Atlantic Acceptance Corporation Limited.
1513.	Cheque no. 18355, stamped "Brock 9" dated 11 April, 1962, from head office of Atlantic Acceptance Corporation Limited in the amount of \$1,457.00 payable to Atlantic Acceptance Corporation Limited and Olympic Siding Corporation Limited, obtained from head office of Atlantic Acceptance Corporation Limited.	1520.	One ledger card from head office of Atlantic Acceptance Corporation Limited, and working paper analysis prepared by Mr. McLoughlin re: dealer reserve, Listowel branch, Atlantic Acceptance Corporation Limited.
1514.	Cheque no. 18489, stamped "Brock 9" from head office of Atlantic Acceptance Corporation Limited, dated 22 May, 1962, in the amount of \$500.00 payable to Valley Farm and Enterprises Limited, obtained from head office of Atlantic Acceptance Corporation Limited.	1521.	Six ledger cards from head office of Atlantic Acceptance Corporation Limited re: dealer reserves, Cornwall branch, Atlantic Acceptance Corporation Limited.
		1522.	Five cheques and debit memo from head office of Atlantic Acceptance Corporation Limited, pertaining to releases from dealer reserve account, Cornwall branch, Atlantic Acceptance Corporation Limited.
		1523.	Working papers analysis prepared by Mr. McLoughlin of the six ledger cards re: dealer reserves, (Ex. 1521) Cornwall branch, Atlantic Acceptance Corporation Limited.

<i>Exhibit No.</i>	<i>Description</i>
1524.	One ledger card from head office of Atlantic Acceptance Corporation Limited and working paper analysis prepared by Mr. McLoughlin re: dealer reserve, Stratford branch, Atlantic Acceptance Corporation Limited.
1525.	Five ledger cards from head office of Atlantic Acceptance Corporation Limited and working paper analysis prepared by Mr. McLoughlin re: dealer reserve, St. Thomas branch, Atlantic Acceptance Corporation Limited.
1526.	Cheque no. 21979 from head office of Atlantic Acceptance Corporation Limited dated 29 May 1962, of Atlantic's Acceptance Corporation Limited in amount of \$1,000.00 payable to Valley Farm and Enterprises Limited.
1527.	Cheque no. 22744, from head office of Atlantic Acceptance Corporation Limited, dated 18 July, 1962, of Atlantic Acceptance Corporation Limited in amount of \$2,302.10 payable to Valley Farm and Enterprises Limited.
1528.	Working paper analysis re: cheque no. 21979 (Exhibit 1526) and cheque no. 22744 (Exhibit 1527) prepared by Mr. McLoughlin entitled "Valley Farm and Enterprises Limited".
1529.	Journal voucher and a supporting schedule of Atlantic Acceptance Corporation Limited, stapled together, obtained by Mr. McLoughlin from head office of Atlantic Acceptance Corporation Limited re: dealer reserve, Valley Farm and Enterprises Limited at various branches of Atlantic Acceptance Corporation Limited.
1530.	Ledger card, account no. 110-A re: dealer reserve at Brockville branch of Atlantic Acceptance Corporation Limited re: Valley Farm and Enterprises Limited, from head office of Atlantic Acceptance Corporation Limited.
1531.	Two ledger cards, account no. 159A re: dealer reserve at Ottawa branch of Atlantic Acceptance Corporation Limited, from head office of Atlantic Acceptance Corporation Limited.
1532.	Two ledger cards, account no. 114A re: dealer reserve at Kingston

<i>Exhibit No.</i>	<i>Description</i>
	branch of Atlantic Acceptance Corporation Limited, from head office of Atlantic Acceptance Corporation Limited.
1533.	One ledger card, account no. 87-A re: dealer reserve at London branch of Atlantic Acceptance Corporation Limited, from head office of Atlantic Acceptance Corporation Limited.
1534.	One ledger card, account no. 1A re: dealer reserve at Listowel branch of Atlantic Acceptance Corporation Limited, from head office of Atlantic Acceptance Corporation Limited.
1535.	One ledger card, account no. 34A re: dealer reserve at Pembroke branch of Atlantic Acceptance Corporation Limited, from head office of Atlantic Acceptance Corporation Limited.
1536.	One ledger card, account no. 114A re: dealer reserve at Peterborough branch of Atlantic Acceptance Corporation Limited, from head office of Atlantic Acceptance Corporation Limited.
1537.	Two ledger cards, account no. 125A re: dealer reserve at Cornwall branch of Atlantic Acceptance Corporation Limited, from head office of Atlantic Acceptance Corporation Limited.
1538.	One ledger card, account no. 25A re: dealer reserve at Stratford branch of Atlantic Acceptance Corporation Limited, from head office of Atlantic Acceptance Corporation Limited.
1539.	One ledger card, account no. 104A re: dealer reserve at St. Thomas branch of Atlantic Acceptance Corporation Limited, from head office of Atlantic Acceptance Corporation Limited.
1540.	Cheque no. 44852, dated 23 January, 1963, of Atlantic Acceptance Corporation Limited in amount of \$18,221.42 to Valley Farm and Enterprises Limited, from head office of Atlantic Acceptance Corporation Limited.
1541.	13 cheques issued between 1 January, 1963 and 30 June, 1963, by Atlantic Acceptance Corporation Limited, from the files of Atlantic's head office, representing composite payments out of dealer reserves.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1542.	Journal voucher dated 28 February, 1963, of Atlantic Acceptance Corporation Limited, from head office of Atlantic Acceptance Corporation Limited.	1552.	Summary of dealer reserve and holdback statement, Cornwall branch, 30 June, 1963, to 30 September, 1965, from head office of Atlantic Acceptance Corporation Limited.
1543.	Analysis prepared by Mr. McLoughlin from his examination of Exhibits 1530 to 1541 inclusive, entitled "Valley Farm & Enterprises Limited—Dealer Reserve Analysis — Various Branches," January, 1963, to June 30, 1963.	1553.	Summary of dealer reserve and holdback statement for Stratford branch, for the period 30 June, 1963, to November, 1965, from head office of Atlantic Acceptance Corporation Limited.
1544.	Summary of dealer reserve and holdback statement, Brockville branch, account 9-110, Valley Farm and Enterprises Limited from head office of Atlantic Acceptance Corporation Limited.	1554.	Summary of dealer reserve and holdback statement re: St. Thomas branch for the period 30 June, 1963, to November, 1965, from head office of Atlantic Acceptance Corporation Limited.
1545.	Atlantic Acceptance Corporation Limited dealer reserve and holdback statement, 31 January, 1964, from head office of Atlantic Acceptance Corporation Limited.	1555.	Ten cheques of Atlantic Acceptance Corporation Limited and one debit memo of Toronto-Dominion Bank with respect to releasing funds from the dealer reserve account, from head office of Atlantic Acceptance Corporation Limited.
1546.	Three page summary of dealer reserve and holdback statement, Ottawa branch, from 30 June, 1963 to 30 November, 1965, from head office of Atlantic Acceptance Corporation Limited.	1556.	Analysis prepared by Mr. McLoughlin headed "Valley Farm & Enterprises Limited — Dealer Reserve Analysis — Various Branches — A Reserve, for the period 30 June, 1963 to 31 January, 1964".
1547.	Summary of dealer reserve and holdback statement, Kingston branch, 30 June, 1963 to 30 November, 1965, from head office of Atlantic Acceptance Corporation Limited.	1557.	Three cheques of Atlantic Acceptance Corporation Limited payable to John Walker with reference to B reserve releases, for the period July 1, 1963 to January 31, 1964, from head office of Atlantic Acceptance Corporation Limited.
1548.	Summary of dealer reserve and holdback statement, Sudbury branch, 30 June, 1963 to June, 1964, from head office of Atlantic Acceptance Corporation Limited.	1558.	Analysis prepared by Mr. McLoughlin headed "Valley Farm & Enterprises Limited — Dealer Reserve Analysis — Various Branches —B Dealer Reserve".
1549.	Summary of dealer reserve and holdback statement, Listowel branch, 30 June, 1963 to 30 November, 1965, from head office of Atlantic Acceptance Corporation Limited.	1559.	Two cheques, no. 71236 and no. 1822 of Atlantic Acceptance Corporation Limited payable to John Walker in amounts of \$425.50 and \$447.82, from head office of Atlantic Acceptance Corporation Limited.
1550.	Summary of dealer reserve and holdback statement, Pembroke branch, 30 June, 1963, to 30 November, 1965, from head office of Atlantic Acceptance Corporation Limited.	1560.	Photocopies of three sheets from general ledger of dealer reserve from the head office of Atlantic Acceptance Corporation Limited, Valley Farm and Enterprises Limited, account no. 2210, for the period February 29, 1964 to June 30, 1965.
1551.	Summary of dealer reserve and holdback statement, Peterborough branch, 30 June, 1963 to 30 November, 1965, from head office of Atlantic Acceptance Corporation Limited.		



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1561.	Two-page analysis prepared by Mr. McLoughlin entitled "Valley Farm & Enterprises Ltd., Analysis of Cattle Accounts 'written off' for period January 1, 1965 to December 31, 1965".	1569.	Letter dated 9 August, 1961, addressed to Mr. John A. Koziel, Cornwall branch of Atlantic Acceptance Corporation Limited, from H. J. Spanton, re: cattle deal, Valley Farm and Enterprises Limited.
1562.	File of requests for write-off vouchers for year 1965 re: cattle accounts from head office of Atlantic Acceptance Corporation Limited.	1570.	Mr. McGeachy's notes re: documents, seized at offices of Walton, Wagman & Co. — Exhibits 1571 to 1873 (inclusive).
1563.	Analysis prepared by Mr. McLoughlin, entitled "Valley Farm & Enterprises Limited Total Credit to Dealer Reserve as shown by A.A.C. records".	1571.	From main office of Walton, Wagman & Co. File re: Valley Farm: Singer Farm auction.
1564.	One page analysis entitled "Valley Farm & Enterprises Limited Dealer Reserve Reconciliation of A.A.C. Cheques charged against Dealer Reserve with Commission credited to Income in the books of Valley Farm prepared under direction of Mr. McLoughlin.	1572.	From main office of Walton, Wagman & Co. File containing correspondence, memorandums re: dealer reserves, cheque stubs, ledger sheets and other miscellaneous material re: Valley Farm.
1565.	Analysis entitled "Atlantic Acceptance Corporation Limited Summary of Cattle and Farm Equipment Contracts Written Off" prepared by Mr. McLoughlin.	1573.	From main office of Walton, Wagman & Co. File re: reserve credited to Valley Farm at Brockville branch, Atlantic Acceptance Corporation Limited.
1566.	Analysis entitled "Atlantic Acceptance Corporation Limited Loss due to Cattle Financing, 1 July, 1961, to 31 December, 1965" prepared by Mr. McLoughlin.	1574.	From main office of Walton, Wagman & Co. File re: reserve credited to Valley Farm at Listowel branch, Atlantic Acceptance Corporation Limited.
1562.1	Request for "write-off voucher" for year 1965—Re: cattle account, Willard Cross.	1575.	From main office of Walton, Wagman & Co. Empty file re: Valley Farm, labelled "Commission A.A.C. Stratford".
1562.2	Request for "write-off voucher" for year 1965—Re: cattle account, Edgar Laplante.	1576.	From main office of Walton, Wagman & Co. File re: Valley Farm containing copy of letter to Ottawa branch, Atlantic Acceptance Corporation Limited acknowledging receipt of report covering purchases of "cattle paper" October 24 to November 7, 1962.
1562.3	Request for "write-off voucher" for year 1965—Re: cattle account, Roger Laflamme.	1577.	From main office of Walton, Wagman & Co. File containing brokers' statements, from Barrett, Goodfellow & Co. for account no. 26-0498-1 for Valley Farm.
1562.4	Request for "write-off voucher" for year 1965—Re: cattle account, Samuel Curran.	1578.	From main office of Walton, Wagman & Co. File containing brokers' statements from Jenkin Evan & Co. Ltd. for account no. 4-538-1 for Valley Farm.
1567.	Atlantic Acceptance Corporation Limited — Conditional sales contract for cattle, with schedule A, and renewal statement annexed.	1579.	From main office of Walton, Wagman & Co. File containing brokers' statements of Annett Partners Ltd., for account no. 35-9853-9 for Valley Farm.
1568.	Group of original ledger cards, Cornwall branch of Atlantic Acceptance Corporation Limited re: Omer Poirier, cattle dealer, hold-back and reserve.		



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1580.	From main office of Walton, Wagman & Co. File re: notes payable by Valley Farm to Cornwall branch, Atlantic Acceptance Corporation Limited.		Bank Receipts, Royal Bank, containing deposit slips and memos from E. Mario.
1581.	From main office of Walton, Wagman & Co. File re: Valley Farm: notes receivable, John Frame.	1594.	From main office of Walton, Wagman & Co. File re: Valley Farm's purchase of 7% convertible debenture of General Spray Service Inc. in amount of \$30,000 due September 30, 1972.
1582.	From main office of Walton, Wagman & Co. File re: reserve credited to Valley Farm at Cornwall branch, Atlantic Acceptance Corporation Limited.	1595.	From main office of Walton, Wagman & Co. File re: Valley Farm, containing miscellaneous catalogues, forms etc. and copies of invoices for purchases of cattle at Glengarry auction, November 2, 1963.
1583.	From main office of Walton, Wagman & Co. Empty file labelled "Solomon, Singer & Rosen, (in trust) — Valley Farm and Enterprises Limited".	1596.	From main office of Walton, Wagman & Co. File re: Valley Farm containing milk production reports.
1584.	From main office of Walton, Wagman & Co. File re: purchase by Valley Farm of Brookdale Avenue lots, Cornwall.	1597.	From main office of Walton, Wagman & Co. File re: Valley Farm, containing inventory of cattle, October 30, 1962 to June 30, 1963.
1585.	From main office of Walton, Wagman & Co. File re: Valley Farm containing receipts for realty taxes.	1598.	From main office of Walton, Wagman & Co. File re: Valley Farm: petty cash receipts for 1963.
1586.	From main office of Walton, Wagman & Co. File containing receipts from Lampard & Co. to Valley Farm for return of Dominion Leaseholds share certificates pledged as security.	1599.	From main office of Walton, Wagman & Co. Empty file labelled "Valley Farm: Insurance Policies". Policies listed in pencil on inside cover of file folder.
1587.	From main office of Walton, Wagman & Co. File labelled "Notes Receivable, C. P. Morgan".	1600.	From main office of Walton, Wagman & Co. File re: Valley Farm, containing Paid Accounts for 1963.
1588.	From main office of Walton, Wagman & Co. File re: N.G.K. Investments and auction by Omer Poirier of farm of Mrs. Rene Poirier.	1601.	From main office of Walton, Wagman & Co. File re: Valley Farm, containing journal vouchers and Paid Accounts for 1962.
1589.	From main office of Walton, Wagman & Co. File re: advances by Valley Farm to Benjamin Orem-land, in trust, for Westworld Artists Productions Inc.	1602.	From main office of Walton, Wagman & Co. File labelled "Valley Land Development (Ottawa) Ltd. — Aurora Leasing Corporation Limited", containing financial statement of valley land for 1961, land plans, estimate for installation of services for Glencairn Sub-division, cash flow statement for 1963, letter from Aurora Leasing dated December 18, 1962 re: sale of land assets.
1590.	From main office of Walton, Wagman & Co. File re: Valley Farm, livestock acct.	1603.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing — C. G. King and A. G. Christie" — Containing copies of promissory notes from C. G. King and Mrs. Kathleen Christie to Aurora Leasing and correspondence re: special loan account of Aurora Leasing.
1591.	From main office of Walton, Wagman & Co. File re: Valley Farms bank disbursements, Royal Bank—operating acct. and livestock acct.		
1592.	From main office of Walton, Wagman & Co. File re: N.G.K. Investments and auction by Omer Poirier of farm of Dan Laflamme.		
1593.	From main office of Walton, Wagman & Co. File re: Valley Farm—		

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1604.	From main office of Walton, Wagon & Co. File containing letters from Canadian Acceptance Corporation Limited to Teskey Construction Company Limited re: rental payments under leases assigned by Aurora Leasing Corporation Limited.	1612.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: C. R. Sherrill", containing copies of correspondence and promissory note re: loan of \$6,500 by Aurora Leasing to C. R. Sherrill.
1605.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Valley Improvement Company Limited", containing correspondence re: loans from Aurora Leasing to Valley Improvement Co. operating The Old Mill.	1613.	From main office of Walton, Wagon & Co. File labelled "Schenker Iron Works Inc.", containing letter dated July 1961 from Schenker Iron to Commodore Sales and trial balances of Schenker Iron at 31 July 1961, 31 August 1961 and 30 September 1961 and ledger sheets of accounts payable and accounts receivable at 31 July 1961 and 31 August 1961.
1606.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Cecile Zhelka", containing copies of correspondence re: mortgage of \$130,000 from British Mortgage & Trust to Cecile Zhelka guaranteed by Aurora Leasing Corporation Limited.	1614.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Parkhill Creamery Limited", containing lease and copy of a letter re: rental of equipment by Parkhill Creamery from Aurora Leasing Corporation Limited.
1607.	From main office of Walton, Wagon & Co. File containing signed copies of proxies appointing J. Canning to vote for shareholders at annual general meeting of Aurora Leasing on 18 April, 1963.	1615.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: St. George's Golf & Country Club", containing leases and correspondence re: rental of vehicle and equipment by St. George's Golf & Country Club from Aurora Leasing Corporation Limited.
1608.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Maris Investment Corp. Ltd.", containing correspondence and promissory notes re: loan from Aurora Leasing to Maris Investments.	1616.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Ontario Produce Co. Ltd., and Oshawa Wholesale Co. Ltd.", containing correspondence from Canadian Acceptance Corporation Limited re: rental payments under leases assigned to them by Aurora Leasing Corporation Limited.
1609.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Martin's (Pembroke) Ltd.", containing correspondence re: leasing of Burrough's cash register by Aurora Leasing to Martin's (Pembroke) Ltd.	1617.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: David Korn", containing correspondence re: rental payments received by D. Korn from Dominion Dairies on behalf of Aurora Leasing Corporation Limited.
1610.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: F. Mann Ltd.", containing delivery receipt and copies of correspondence re: leasing of calculating machine by Aurora Leasing to F. Mann Ltd.	1618.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Kraus Carpet Mills Limited", containing carbon copy of letter to Kraus Carpet from Aurora Leasing enclosing cheque in payment for installation of carpet at Commodore Sales Acceptance Ltd. office, at 100 Adelaide St. West.
1611.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: W. B. Bennett Paving Ltd.", containing correspondence from Canadian Acceptance Corporation Ltd. re: rental payments under leases assigned to them by Aurora Leasing Corporation Limited.		

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1619.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: International Harvester Company", containing correspondence re: note no. 7—11/59 being payment for International Motor Truck.	1627.	From main office of Walton, Wagman & Co. File re: Aurora Leasing and Towers Marts and Properties, containing copies of proposals under The Bankruptcy Act re Towers Marts and correspondence re: leases of equipment from Aurora Leasing Corporation Limited.
1620.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: Home Smith Properties Limited", containing correspondence re: Aurora Leasing Loan to Home Smith Properties.	1628.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: Treasure Island Properties Limited", containing mortgage no. 180095 for \$800,000 dated 26 April, 1963, Treasure Island Properties to Aurora Leasing, registered in Registry Office, Middlesex Co.
1621.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: G.B.S. Barbques Ltd.", containing correspondence, financial statement, promissory notes and assignment of book debts re: Aurora Leasing loan to G.B.S. Barbques.	1629.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: Don Mills", containing copy of statement of investments, C. P. Morgan, Wm. L. Walton, H. Wagman, copy of promissory note dated June 20, 1962 for \$94,500 from Don Mills to Aurora Leasing Corporation Limited and copy of letter to C.B.M. (Canada) re: balance outstanding on Don Mills Note at 30 September, 1962.
1622.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: General Spray Service Inc.", containing correspondence and promissory note re: Aurora Leasing loan to F. H. Hoge Jr.	1630.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: Solomon & Samuel", containing miscellaneous correspondence between Aurora Leasing & Solomon & Samuel as solicitors for the company.
1623.	From main office of Walton, Wagman & Co. File containing documents for late 1962 to November 1963 re: dealer reserves paid into Atlantic Acceptance Corporation Ltd. and out to Valley Farm and Enterprises Ltd.	1631.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: Miscellaneous correspondence", including copies of notice of dividends to shareholders November 1961 and copies of letters to debtors re: verification of outstanding Balances due to Aurora at December 31, 1961.
1624.	From main office of Walton, Wagman & Co. File labelled "Valley Farm: Horse Haven Farm", containing statements from The Jockey Club Ltd., George Carter Trainer, various invoices for stable supplies and record of thoroughbred racing for year 1962, for Valley Farm and Enterprises Ltd.	1632.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: Ottawa Valley Amusements Limited", containing signed duplicate of chattel mortgage between Ottawa Valley Amusements Ltd. and Aurora Leasing Corporation Limited to secure sum of \$105,000.
1625.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: Re Towers Marts and Properties, Waterloo", containing leases re: rental of equipment by Towers Marts in the Waterloo and London stores from Aurora Leasing Corporation Limited.	1633.	From main office of Walton, Wagman & Co. File re: Aurora Leasing and Valley Music Company Limited, containing copies of agreements, list of inventories and correspondence re: lease of machines by Valley Music from Aurora Leasing.
1626.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: Conarm Developments Limited", containing statements, correspondence and agreements re: Aurora Leasing loan to Conarm Developments Ltd., for purchase from Valley Land Development (Ottawa) Ltd.		



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1634. From main office of Walton, Wagman & Co. File re: subscription for shares of Aurora Leasing Corporation Limited with lists of note-holders at 25 March, 1963.
1635. From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: Meckler & Lazar", containing correspondence and promissory notes re: Aurora Loan to Meckler & Lazar and Commodore Factors loan to The Jacroy Company.
1636. From main office of Walton, Wagman & Co. File re: Aurora Leasing and Commodore Sales Acceptance transaction with George Blacklock re: Valley Farm and Enterprises Limited.
1637. From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: W. P. Gregory, British Mortgage & Trust Company", containing correspondence re: W. P. Gregory's personal loan from Aurora Leasing.
1638. From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: Atlantic Acceptance Corporation Limited", containing correspondence re: leasing of furniture and equipment by Atlantic Acceptance and Atlantic Finance Corporation from Aurora Leasing Corporation Limited.
1639. From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: Associated Canadian Holdings Limited" — Contents transferred to Exhibits 1639.1 and 1639.2.
1640. From main office of Walton, Wagman & Co. File re: Aurora Leasing, containing signed leases for rental of furniture and equipment between Aurora Leasing Corporation and Atlantic Acceptance Corporation Limited and Atlantic Finance Corporation Limited dated 1 December, 1961.
1641. From main office of Walton, Wagman & Co. File re: Aurora Leasing, containing signed leases for rental of furniture and equipment between Aurora Leasing and Atlantic Acceptance Corporation Limited dated 1 November, 1961.
1642. From main office of Walton, Wagman & Co. File re: Aurora Leasing,

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- ing, containing signed leases for rental of furniture and equipment between Aurora Leasing Corporation Limited and Atlantic Acceptance Corporation Limited, Atlantic Finance Corporation Limited and Premier Finance Corporation Limited dated 23 September, 1962.
1643. From main office of Walton, Wagman & Co. File re: Aurora Leasing, containing signed leases for rental of furniture and equipment between Aurora Leasing Corporation Limited and Atlantic Acceptance Corporation Limited and Atlantic Finance Corporation Limited dated 29 January, 1963.
1644. From main office of Walton, Wagman & Co. File re: Aurora Leasing, containing signed leases for rental of furniture and equipment between Aurora Leasing Corporation Limited and Atlantic Acceptance Corporation Limited and Atlantic Finance Corporation Limited dated 5 April 1963 and 30 May, 1963.
1645. From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: D.H.I. Limited", containing correspondence, bills of sale and Agreements re: Aurora Leasing Corporation Loans to D.H.I. Ltd.
1646. From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: Commodore Sales Acceptance Limited", containing correspondence, statements and signed Leases re: rental of furniture and equipment between Aurora Leasing Corporation Limited and Commodore Sales Acceptance Limited — Leases dated 1 September, 1961 and 1 January, 1962.
1647. From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: Interest Billings by Month", containing copies of monthly statements from Aurora Leasing Corporation Limited to various companies.
1648. From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: Accounts Paid".
1649. From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: general journal (working papers)".



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1650.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Insurance", containing copies of amendments to fire insurance carried on equipment leased to Atlantic Acceptance Corporation Limited and Atlantic Finance Corporation Limited by Aurora Leasing Corporation Limited.		Leasing: Commercial Sand & Gravel Limited", containing correspondence re: rental payments under leases between Commercial Sand & Gravel and Aurora Leasing and assigned to Canadian Acceptance Corporation.
1651.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Arcan Corporation Limited, Notes Receivable".	1659.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Commodore Business Machines (Canada) Limited."
1652.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Non-resident Tax", containing receipts for non-resident tax on interest due to noteholders, deducted from source by Aurora Leasing and paid to Dept. of National Revenue.	1660.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Chisholm & Co.", containing correspondence and promissory note re: Aurora Leasing Loan to Chisholm & Co.
1653.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Convertible Notes — Data — 1962".	1661.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Convertible Notes Data, 1963".
1654.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Camerina Petroleum Corporation", containing correspondence, agreement and promissory note re: loan to Camerina Petroleum from Aurora Leasing Corporation.	1662.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Cushing & Co.", containing correspondence re: loan by Aurora Leasing to Cushing & Co.
1655.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Notes Payable — British Mortgage & Trust Company, \$250,000, 4 January, 1963".	1663.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Dividends for 1963", containing lists of shareholders of Aurora and record of dividends Paid in 1963.
1656.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Canada Cartage System Limited", containing correspondence re: rental payments under leases between Canada Cartage and Aurora Leasing Corporation and assigned to Canadian Acceptance Corporation.	1664.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Dominion Dairies Ltd.", containing correspondence re: rental payments under leases between Dominion Dairies Ltd and Aurora Leasing Corporation Ltd., assigned to Canadian Acceptance Corporation Limited.
1657.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Charcoal Supply & Sales of Ontario Ltd.", containing promissory note from Charcoal Supply & Sales to Aurora Leasing in amount of \$25,000 dated 25 November, 1963.	1665.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: Ellins Construction Co. Ltd.", containing correspondence re: rental payments under leases between Ellins Construction Co. Ltd. and Aurora Leasing Corporation Ltd., assigned to Canadian Acceptance Corporation Limited.
1658.	From main office of Walton, Wagon & Co. File labelled "Aurora	1666.	From main office of Walton, Wagon & Co. File labelled "Aurora Leasing: T. B. Escott Company Ltd.", containing correspondence re: rental payments under leases between T. B. Escott Company and Aurora Leasing Corporation Ltd., assigned to Canadian Acceptance Corporation Limited.

<i>Exhibit No.</i>	<i>Description</i>
1667.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: Frederick's Department Store Limited", containing correspondence re: loan by Aurora Leasing Corporation Limited to Frederick's Department Store Ltd., and correspondence re: lease of equipment through Aurora Leasing.
1668.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: Fun-A-Marin Limited", containing promissory note to Aurora Leasing Corporation Limited from Fun-A-Marin Limited dated 11 July 1963, in amount of \$10,000 signed by J. C. Laidlaw as President.
1669.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: General Motors Acceptance Corporation", containing contract and correspondence re: purchase of motor vehicle, May 1958.
1670.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: Bond & Cosman Ltd.", containing 2 promissory notes to Aurora Leasing Corporation Limited from Bond & Cosman Ltd., dated 9 January, 1963 and 1 February, 1963 in amount of \$50,000 and \$25,000 respectively, signed by G. Groship.
1671.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: J. A. Brewster", containing handwritten direction to Aurora Leasing signed by J. A. Brewster to purchase 5,000 common shares of Frederick's Department Store Ltd. for \$10,000 from Frederick's.
1672.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: Bruell Paving Limited", containing correspondence re: rental payments under leases between Bruell Paving Limited and Aurora Leasing Corporation, assigned to Canadian Acceptance Corporation Limited.
1673.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: Corporate Plan Leasing Limited", containing correspondence and records re: leasing transactions between Corporate Plan Leasing and Aurora Leasing.
1674.	From main office of Walton, Wagman & Co. File labelled "Aurora

<i>Exhibit No.</i>	<i>Description</i>
	Leasing: D.H.I. Ltd. Trial Balances", containing copies of monthly trial balances, accounts payable and accounts receivable of D.H.I. Ltd., for October, November and December 1962, and January and February 1963.
1675.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: A.A.C. and A.F.C. Leases dated March 26, 1963", containing signed copies of leases for furniture and equipment, between Aurora Leasing Corporation Limited and Atlantic Acceptance Corporation Limited and Atlantic Finance Corporation Limited.
1676.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: A.A.C. and A.F.C. Leases dated 1 September, 1961", containing signed copies of leases for furniture and equipment between Aurora Leasing Corporation Limited and Atlantic Acceptance Corporation Limited and Atlantic Finance Corporation Limited.
1677.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: American-Marsh Pumps (Canada) Limited", containing leasing agreement dated 28 August, 1961 between American-Marsh Pumps (Canada) Limited and Township of Michipicoten, Ont. re: rental of truck and copy of assignment of lease to Aurora Leasing Corporation Limited.
1678.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: Annett & Co. Ltd.—Notes Receivable".
1679.	From main office of Walton, Wagman & Co. File labelled "Aurora Leasing: John Belli Operations Limited", containing copies of invoices, handwritten summaries of improvement costs to Old Angelo's, copy of chattel mortgage to Aurora Leasing from John Belli Operations for loan of \$75,000 dated July 2, 1963, copies of releases, signed lease re: rental of equipment from Aurora Leasing dated December 1961 and insurance policies.
1680.	From office of Harry Wagman: miscellaneous file containing documents re: Towers Marts & Properties Limited, Commodore Business Machines (Canada) Limited and Briardale Investments Limited.

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1681.	From office of Harry Wagman: File labelled "Chartered Management Consultants (Canada) Ltd.", containing copies of invoices for 1961 to 1963.		Limited dated 26 September 1958 to secure sum of \$4230.
1682.	From safety deposit box no. 1222 at Guaranty Trust in name of H. Wagman: file labelled "Commodore", containing carbon copies of two letters, both dated 23 May, 1963 from Solomon, Singer & Rosen to (a) Commodore Business Machines (Canada) Limited re: \$600,000 7% convertible sinking fund debentures, Series B and (b) to Harry Wagman re: loan from British Mortgage & Trust Company in sum of \$100,000.	1688.	From office of J. C. Laidlaw: file labelled "Aurora Leasing", containing unaudited balance sheets of Aurora prepared by Walton, Wagman & Co. as at 28 February 1963 and 31 May, 1962, lists of securities in Guaranty Trust Company safety deposit box no. 1904 as at 26 November, 1963.
1683.	From office of Harry Wagman: file labelled "Canada Motor Products Limited", containing correspondence, memoranda and weekly bank statements August to November 1962.	1689.	From office of Harry Wagman: file labelled "Aurora" containing notes payable dated 1 April 1963 by Camerina Petroleum Corporation Limited, Chisholm & Co. and Don Mills.
1684.	From office of W. L. Walton: file labelled "Dallas Holdings Limited", containing copies of corporate tax returns and copies of annual returns to the Provincial Secretary for Dallas Holdings.	1690.	From main office of Walton, Wagman & Co. File labelled "Commodore Sales Acceptance Limited", containing working papers for Commodore Sales Acceptance Limited and Commodore Factors Limited for the years 1959 to 1962.
1685.	From office of Harry Wagman: file labelled "Valley Farm", containing copies of two letters dated 10 July 1962 and 12 July 1962 re: Valley Farm operations from H. J. Spanton to employees of Valley Farm & Enterprises Limited.	1691.	From main office of Walton, Wagman & Co. File labelled "C.M.P. (Toronto) Limited", containing working papers re: Zeus Automotive Armature Rewinding Co. at March 31, 1962 and letter from H. J. Stitt, Solicitor, to Canada Motor Products Toronto Limited dated 12 September, 1962 re: purchase of Zeus Automotive.
1686.	From office of Harry Wagman: file labelled "Valley Farm & Enterprises Limited", containing handwritten notes re: shares of Commodore Business Machines (Canada) Limited, delivery slips from Barrett, Goodfellow & Co. re: Commodore Business Machines Limited shares, receipts from Annett Partners Limited for shares of Commodore Business Machines Limited.	1692.	From main office of Walton, Wagman & Co. Envelope addressed to Hilltop Holdings Limited containing title search re: Valley Farm and Enterprises Limited mortgage.
1687.	From office of Harry Wagman: File labelled "Aurora", containing copy of leasing agreement dated 15 August, 1958 between Aurora Leasing Corporation Limited and Rashkis, Berezin, Rubin and Finkelstein, original leasing agreement dated 11 September 1959, between Lease-All Vehicle and Equipment Limited and Harvey Construction Company Limited and copy of chattel mortgage, Aurora Leasing to Interprovincial Building Credits	1693.	From office of Harry Wagman: file containing letters from M. W. Rashkis to C. P. Morgan re: agreements concerning Aurora Leasing Corporation Limited, Mavety Film Delivery Limited, Harvey Construction Company Limited and Ontario Construction Company Limited.
		1694.	From the office of Harry Wagman: file containing copies of correspondence between G. Blacklock and H. Wagman re: operation of Valley Farm.
		1695.	From the office of J. C. Laidlaw: file labelled "Commodore Business Machines", containing press clippings re: Commodore Business Machines (Canada) Limited, carbon copy of agenda for annual meeting of shareholders, 20 November, 1963, prospectus dated 31 May, 1962, and 1963 annual report.



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1696.	From office of J. C. Laidlaw: folder containing pro forma balance sheet of D.H.I. Limited as of 31 January 1961 and advertising Brochure.	iv.	Photostatic copy of cheque drawn on Canadian Imperial Bank of Commerce dated 30 August, 1963 in the amount of \$7,500 payable to Sterling Management Services by Chartered Management Consultants (of Canada) Limited, signed by Wm. L. Walton and photostatic copy of invoice dated 6 September, 1963 of Sterling Management Services Company to Chartered Management Consultants Ltd. marked "To Management Services rendered to November 30, 1962, \$7,500.00."
1697.	From main office of Walton, Wagman & Co. File labelled "Yarrum Investments Limited Current", containing letters patent, bank statements, deposit book, cheque book for account no. 992-704, Barrett, Goodfellow & Co. statements, copies of correspondence, and ledger sheets.	b)	From main office of Walton, Wagman & Co.
1698.	From office of W. L. Walton: file containing documents incl. 31 October, 1962 statement re: Canada Motor Products (Toronto) Ltd.; handwritten excerpts by Walton re: Blacam Realities Ltd.; inventory sheets re: Canada Motor Products (Toronto) Ltd.; Zeus Automotive Ltd. 28 November, 1962; copy of balance sheet of Dale Estate Limited as at June 30, 1948; financial statements of Dale Estate Limited at June 30, 1961 and October 19, 1961.	i.	Copy of letter dated 13 February 1962, Hilltop Holdings Limited to C. Solomon re: Proposed mortgage transaction \$100,000 re: Eugene Last, Dalite Corporation (Canada) Limited and 300 Dwight Ave., Mimico property.
1699.	From office of W. L. Walton: common share certificate book of Triangle Warehousing Limited.	ii.	Photostatic copies of 4 cheques of Aurora Leasing Corporation Limited all payable to W. P. Gregory: April 13, 1962, \$375. No. 288 May 1, 1962, \$10,000. No. 297 June 30, 1962, \$87.50 No. 355 July 12, 1962, \$375. No. 391
1700.	Brown envelope with contents as noted hereunder: a) from office of H. Wagman: i. Financial statements of Humber Typewriters and Business Equipment Limited for years ending 31 December 1960 and 1961 and carbon copies of financial statement at 31 May, 1962. ii. Unsigned declaration of trust re: ownership of 63,000 common shares of Commodore Business Machines (Canada) Limited held by H. Wagman and original letter, dated 28 March, 1963 to H. Wagman from C. Solomon re declaration of trust. iii. Promissory note for \$221,391 dated 30 June 1962 to C. P. Morgan, Wm. L. Walton and Harry Wagman from Valley Farm and Enterprises Limited signed by Wm. L. Walton, Vice-President and H. Wagman, Secretary-Treasurer with two attached photocopies of hand-written work sheets re Trio Account Holdings at 16 October, 1962, identified by H. Wagman as being written by Wm. L. Walton.	iii.	Photostatic copies of 5 cheques of Hilltop Holdings Limited drawn on Canadian Bank of Commerce, Toronto Branch; to Gerald Groship, 13 June 1961, \$6,000, 12 July 1961, \$10,000 and 17 July 1961, \$7,420.16; to Irving W. Biller, 19 January 1962, \$19,905.24 and to I. W. Biller & Associates, 9 February 1962, \$10,000.
		1701.	From main office of Walton, Wagman & Co. File labelled "Dallas Holdings Limited, Current", containing copies of financial statements for Dallas Holdings for years ending 31 December 1955 to 31 December 1961.
		1702.	From office of Harry Wagman: File labelled "Dallas Holdings Limited", containing memos, statements and lists re: transaction re: Dale Estate Limited shares and lists of shareholders; Book Entries re: transactions; copy of letter to Annett & Company Limited signed by C. P. Morgan, 8 December, 1961 re: Dale Estate Limited transaction, and Dallas Holdings Limited.



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1703.	From large brief case from Harry Wagman's office: various documents incl. 3-page list of Securities and notes in safety deposit box No. 457, Guaranty Trust, in name Chartered Management Consultants (of Canada) Limited, and letter signed Manfred Kapp to Harry Wagman, 16 July, 1962, re: list of Commodore Business Machines (Canada) Ltd. shares pledged as security for Aurora Leasing Loan to Don Mills.	1712.	From office of Harry Wagman: correspondence file of M.L.B. Investments Limited for 1962.
1704.	From office of Harry Wagman: various notes, schedules, etc. re interests of H. Wagman including lists of shares in safety deposit boxes.	1713.	From office of Harry Wagman: file labelled "M.L.B.", containing copies of two leasing agreements dated 16 February, 1963 and 11 January 1955 between Leonard Oskin and Samuel Dasko and Jacroy Canada Limited re: part of lot 26, registered plan 3759, Township of Scarborough and a survey of land leased prepared by Wildman and Rhodes and Associates.
1705.	From safety deposit box no. 457 at Guaranty Trust Co. in name of Chartered Management Consultants (of Canada) Limited: various demand notes, lists of securities of C. P. Morgan, Wm. L. Walton & H. Wagman; receipts from banks for Securities held as collateral for loans; miscellaneous correspondence and lists.	1714.	From office of Harry Wagman: Correspondence file of M.L.B. Investments Limited for year 1958.
1706.	From main office of Walton, Wagman & Co.: Guaranty Trust account no. 15171 in name of N.G.K. Investments Limited, cheques and deposit book, cheque stubs, April, 1961 to December, 1962 and month of June, 1963. Cancelled cheques of account of N.G.K. Investments Limited at Royal Bank, Alexandria Branch, November, 1961 to December, 1962, also one month, June, 1963.	1715.	From office of Harry Wagman: Correspondence file of M.L.B. Investments Limited for year 1961 also containing copy of a mortgage on Scarborough property from M.L.B. Investments to Canada Permanent Mortgage Corporation for sum of \$65,000 and a copy of assignment of rents from M.L.B. Investments to Canada Permanent Mortgage Corporation.
1707.	From main office of Walton, Wagman & Co. Cancelled cheques of Dallas Holdings Limited, February 1962 to October, 1963, deposit book and bank statements re: account no. 401-472, Canadian Imperial Bank of Commerce.	1716.	From main office of Walton, Wagman & Co.: file labelled "Dalite Corporation (Canada) Limited", containing working papers re: "Dalite."
1708.	From office of Harry Wagman: correspondence file of M.L.B. Investments Limited for 1960.	1717.	From main office of Walton, Wagman & Co. File labelled "Dalite Corporation (Canada) Limited", containing copies of corporation income tax returns for years ended December 31, 1954 to December 31, 1956.
1709.	From office of Harry Wagman: correspondence file of M.L.B. Investments Limited for 1959.	1718.	From main office of Walton, Wagman & Co. File labelled "Hilltop Holdings Limited", containing working papers and documents re: Hilltop Holdings Limited.
1710.	From office of Harry Wagman: correspondence file of M.L.B. Investments Limited. for 1957.	1719.	From main office of Walton, Wagman & Co. File labelled "Hilltop Holdings Limited — Income Tax", containing copies of corporation income tax returns for years ended December 31, 1954 to December 31, 1956.
1711.	From office of Harry Wagman: correspondence file of M.L.B. Investments Limited for 1955 and 1956.	1720.	From main office of Walton, Wagman & Co. File labelled "Hilltop Holdings Limited — Income Tax", containing copies of corporation income tax returns for years ended December 31, 1957 to December 31, 1961.

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1721. From safety deposit box 457 in name of Chartered Management Consultants (of Canada) Limited at Guaranty Trust Co.: file labelled "Cleardale Properties Limited," containing correspondence re: shares of the company; share certificate for 1 common share in name of Powell Morgan; share certificate for 1,000 preference shares in name of Powell Morgan.
1722. From main office of Walton, Wagman & Co.: file labelled "Chartered Management Consultants—Income Tax", containing copy of corporation tax return for year ended November 30, 1962 and copy of annual return to Provincial Secretary as at March 31, 1963.
1723. From main office of Walton, Wagman & Co. File labelled "Steinhart Holdings Limited — Income Tax", containing copy of corporation income tax return for year ended December 31, 1961.
1724. From main office of Walton, Wagman & Co. File labelled "Steinhart Holdings Limited", containing working papers, copies of financial statements, agreements and other documents relating to Steinhart holdings Limited.
1725. From main office of Walton, Wagman & Co. File labelled "N.G.K. Investments Limited", containing working papers re: N.G.K. Investments.
1726. From main office of Walton, Wagman & Co. File labelled "N.G.K. Investments Limited — Income Tax", containing copy of corporation income tax returns for year ended December 31, 1961.
1727. From main office of Walton, Wagman & Co. File labelled "Mavety Film Delivery Service", containing working papers re: Mavety Film Delivery Limited for 1961, 1962 and 1963.
1728. From main office of Walton, Wagman & Co. File labelled "Mavety Film Delivery Limited", containing working papers re: Mavety Film Delivery Limited for 1961 and correspondence re: sale of the company to C. P. Morgan.
1729. From main office of Walton, Wagman & Co. File labelled "Mavety Film Delivery Limited — Interim

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*Description*

- Statements", containing copies of interim financial statements, working papers and correspondence with Treasury Department re: Ontario Corporations Tax.
1730. From main office of Walton, Wagman & Co. File labelled "Mavety Film Delivery Service — Income Tax", containing copies of corporation income tax returns for years ended April 30, 1960 to April 30, 1962.
1731. From main office of Walton, Wagman & Co. File labelled "Old Angelo's Restaurant Limited," containing working papers.
1732. From main office of Walton, Wagman & Co. File labelled "Old Angelo's Restaurant Limited", containing copy of profit and loss account return to the Liquor Licence Board of Ontario for year ended June 30, 1963.
1733. From office of Mr. S. Chusid: File labelled "Solomon, Singer & Rosen", containing copies of trial balances of Solomon, Singer & Rosen, May 1962 to November 1962 and April 1963.
1734. From main office of Walton, Wagman & Co. File labelled "Triangle Warehousing Limited", containing copy of corporation tax return for year ended May 31, 1962 and copies of annual returns to Provincial Secretary as at March 31, 1962 and 1963.
1735. From main office of Walton, Wagman & Co. File labelled "Valley Farm & Enterprises Limited", containing working papers, copy of corporation income tax return for year ended June 30, 1962 and annual return to Provincial Secretary as at March 31, 1963.
1736. From main office of Walton, Wagman & Co. File labelled "Pearl-sound Distributors Limited", containing working papers for 1962.
1737. From main office of Walton, Wagman & Co. File labelled "Pearl-sound Distributors Limited — Income Tax", containing copy of corporation income tax return for year ended June 30, 1962.
1738. From main office of Walton, Wagman & Co. File containing working papers re: Solomon & Samuel for year ended April 30, 1960.

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1739.	From main office of Walton, Wagman & Co. File labelled "Solomon & Samuel—Income Tax", containing copies of personal income tax returns for 1961 for C. M. Solomon and D. M. Samuel.	1750.	From main Office of Walton, Wagman & Co.; file containing Broker's statements from Annett Partners Limited to Dallas Holdings Limited for 1962 and 1963.
1740.	From main office of Walton, Wagman & Co. File labelled "Solomon & Samuel", containing working papers for years ended April 30, 1961 and 1962.	1751.	From main Office of Walton, Wagman & Co.; file containing statements from various brokers to Dallas Holdings Limited for years 1955 to 1961.
1741.	From main office of Walton, Wagman & Co. File labelled "Solomon & Singer", containing carbon copy of letter dated 5 November 1963 from Walton, Wagman & Co. to Solomon & Singer re: N.G.K. Investments Limited.	1752.	From main office of Walton, Wagman & Co.; file containing broker's statement from R. J. Opekar Limited to Dallas Holdings Limited dated 11 October 1963.
1742.	From office of Mr. S. Chusid: file labelled "Canada Motor Products (Toronto) Limited", containing working papers to December 31, 1962.	1753.	From main office of Walton, Wagman & Co.; file containing broker's statements from Barrett, Goodfellow & Co. to Dallas Holdings Limited for 1961 to 1963.
1743.	From main office of Walton, Wagman & Co. File labelled "Solomon & Samuel", containing copy of personal income tax return of C. M. Solomon for year 1958.	1754.	From main office of Walton, Wagman & Co.; file containing carbon copy of statement of accounts from Adelaide Acceptance Limited to Atlantic Acceptance Corporation Limited, March to July 1962 and carbon copies of statements from N.G.K. Investments Limited to Annett & Co., Limited and Canada Motor Products (Blackstone) Limited dated October 1963.
1744.	From office of Mr. S. Chusid: file labelled "PRO MUSICA LIMITED/PEARLSOUND", containing working papers for 1963.	1755.	From main office of Walton, Wagman & Co.; file containing copies of billings of N.G.K. Investments Limited for 1962 and 1963.
1745.	From office of Mr. S. Chusid. File labelled "Commodore Sales Acceptance Limited," containing staff audit reports for Commodore Sales Acceptance Limited and Commodore Factors Limited for 1962 and 1963.	1756.	From main office of Walton, Wagman & Co.; file containing carbon copies of notices from N.G.K. Investments Limited to shareholders re dividends for 1963.
1746.	From office of Mr. S. Chusid: file labelled "Mavety Film Delivery Limited," containing staff audit reports for 1960 to 1963.	1757.	DNR seizure from main office of Walton, Wagman & Co.; file containing carbon copies of notices to noteholders from N.G.K. Investments Limited re interest on convertible notes for 1962.
1747.	From main office of Walton, Wagman & Co.; file labelled "Dallas Holdings Limited—Income Tax," containing copy of corporation income tax return for year ended December 31, 1961 and copy of annual return to Provincial Secretary as at March 31, 1962.	1758.	From main office of Walton, Wagman & Co.; file containing old ledger sheets of Dallas Holdings Limited for years 1957 to 1962.
1748.	From main office of Walton, Wagman & Co.; file containing paid invoices re: Dallas Holdings Limited.	1759.	From main office of Walton, Wagman & Co.; file containing letters patent of Dallas Holdings Limited.
1749.	From main office of Walton, Wagman & Co.; file containing working papers of Dallas Holdings Limited for 1962 and 1963.	1760.	From main office of Walton, Wagman & Co.; file containing copy of underwritten-option agreement 28 January 1955 between Consolidated Dragon Oils Limited and Barrett, Seguin & Co. acting on behalf of Dallas Holdings Limited.



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1761.	From main office of Walton, Wagman & Co.: file containing paid accounts of Dallas Holdings Limited, 1955 to 1963.	1771.	From main office of Walton, Wagman & Co.: file containing miscellaneous documents re: N.G.K. Investments and copies of letters to shareholders re: dividends on shares in 1961 and 1962 and convertible notes in 1962.
1762.	From main office of Walton, Wagman & Co.: mortgage file re J. Frame, Glenspey Farms and Dallas Holdings Limited.	1772.	From main office of Walton, Wagman & Co.: file containing pre-1963 ledger sheets and notes of Dallas Holdings Limited.
1763.	From main office of Walton, Wagman & Co.: file containing miscellaneous papers; brokers' statements, Annett & Company Limited, J. Frame & Company, Jenkins, Evans & Co. Ltd.	1773.	From desk of H. Wagman: envelope containing 38 general ledger sheets and 10 receipts of Chartered Management Consultants (of Canada) Limited and brown envelope containing documents re: Chartered Management Consultants (of Canada) Limited—paid bills, deposit book 1961 to 1963, cheque book, December 1961 to August 1962, cancelled cheques and bank statements 1961 to 1963.
1764.	From main office of Walton, Wagman & Co.: file containing billings from Aurora Leasing Corporation Limited to N.G.K. Investments Limited, November 1962 to September 1963.	1774.	From main office of Walton, Wagman & Co.: file containing handwritten schedules of interest receivable by Adelaide Acceptance Limited.
1765.	From main office of Walton, Wagman & Co.: file containing working papers and copies of financial statements of N.G.K. Investments Limited as at December 31, 1962, January 31 and February 28, 1963.	1775.	From main office of Walton, Wagman & Co.: file containing copies of correspondence re: Dallas Holdings Limited.
1766.	From main office of Walton, Wagman & Co.: file containing correspondence re: N.G.K. Investments Limited, November 1962 to November 1963.	1776.	From main office of Walton, Wagman & Co.: common shares certificate book of Dallas Holdings Limited.
1767.	From main office of Walton, Wagman & Co.: file containing correspondence re: promissory note in sum of \$5,000 to N.G.K. Investments Limited from Robert B. Slaven.	1777.	From main office of Walton, Wagman & Co.: preference shares certificate book of Dallas Holdings Limited.
1768.	From main office of Walton, Wagman & Co.: file containing copies of billings from N.G.K. Investments Limited to Trans Video Productions Limited from May 1962 to July 1963.	1778.	From main office of Walton, Wagman & Co.: file containing documents re: Hilltop Holdings Limited and property at 155 Kipling Avenue South, Etobicoke.
1769.	From main office of Walton, Wagman & Co.: file containing letter dated September 12, 1962 from Solomon, Singer & Rosen acknowledging that C. Solomon holds 17,500 common shares of Commodore Business Machines (Canada) Limited, in trust, for N.G.K. Investments Limited.	1779.	From main office of Walton, Wagman & Co.: file containing copy of assignment of mortgage dated 28 July 1955 on property at 25 Uxbridge Avenue, Toronto from Charles Kerschenberg to Hilltop Holdings Limited and Insurance Policies.
1770.	From main office of Walton, Wagman & Co.: file containing 3 promissory notes from Lampard and Company Limited to N.G.K. Investments Limited, February 8, 1963 in amount of \$31,500, February 18, 1963, \$21,000 and February 26, 1963, \$52,500.	1780.	From main office of Walton, Wagman & Co.: file containing working papers of Hilltop Holdings Limited for years 1954 to 1958.



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1781.	From main office of Walton, Wagman & Co.: file containing copies of Mortgage dated 21 December, 1956 between Eric Williams and Hilltop Holdings Limited for sum of \$8,000 and copy of mortgage dated 21 December, 1956 between Harry Wagman and Hilltop Holdings Limited for sum of \$8,000.		Holdings Limited Bank Statements and cancelled cheques April 1953 to October 1963 and working papers for April 1961 to July 1963.
1782.	From main office of Walton, Wagman & Co.: file containing copies of financial statements of Hilltop Holdings Limited for 1953 to 1955.	1792.	From main office of Walton, Wagman & Co.: file containing promissory note from Eugene Last to Hilltop Holdings Limited dated 17 July, 1962 in amount of \$6,175 and correspondence re: interest charges on mortgage.
1783.	From main office of Walton, Wagman & Co.: file containing blank stationery of Hilltop Holdings Limited.	1793.	From main office of Walton, Wagman & Co.: file containing chattel mortgage dated 26 July, 1962 from Windsor Press to Hilltop Holdings Limited in amount of \$9,000 and copies of correspondence from Hilltop Holdings Limited to R. W. Stanton, Plastic Products Company re: outstanding payments on loan to R. W. Stanton.
1784.	From main office of Walton, Wagman & Co.: file containing handwritten minutes of directors' meetings of Hilltop Holdings Limited for years 1953 to 1958.	1794.	From main office of Walton, Wagman & Co.: file containing copy of first floating charge debenture dated 14 July, 1961 between Gerald Groshup and Hilltop Holdings Limited in amount of \$150,000 and copies of statements of accounts of Trans Canada Millinery Sales with Hilltop Holdings Limited.
1785.	From main office of Walton, Wagman & Co.: file containing copies of correspondence re: mortgages held by Hilltop Holdings Limited.	1795.	From main office of Walton, Wagman & Co. File labelled "Elite Linens — Loans from Triangle Warehousing Limited", containing warehouse receipts and inventory records of American Express Warehousing (Canada) Limited re: Assets of Elite Linens held as security on behalf of Triangle Warehousing Limited.
1786.	From main office of Walton, Wagman & Co.: file containing accounts payable of Hilltop Holdings Limited.	1796.	From main office of Walton, Wagman & Co. File containing banking documents of Triangle Warehousing Limited for Canadian Imperial Bank of Commerce for account no. 017000 June, 1962 to October, 1963: deposit book, cheque book, cancelled cheques and bank statements.
1787.	From main office of Walton, Wagman & Co.: file containing legal Documents of Hilltop Holdings Limited.	1797.	From main office of Walton, Wagman & Co.: file containing copies of correspondence to Elite Linens Limited from Triangle Warehousing Limited re: interest receivable on loans to Elite Linens by Triangle Warehousing.
1788.	From main office of Walton, Wagman & Co.: file re: Hilltop Holdings Limited labelled: notes receivable—I. W. Biller.	1798.	From main office of Walton, Wagman & Co.: file containing copies of paid accounts of Triangle Warehousing Limited.
1789.	From main office of Walton, Wagman & Co. file containing three promissory notes, Hilltop Holdings to Commodore Sales Acceptance Limited, two dated 3 August, 1961 and one dated 18 August, 1961 in amounts of \$10,295.89, \$10,394.52 and \$15,369.86 and copies of correspondence re: interest charges.		
1790.	From main office of Walton, Wagman & Co.: file containing statement of adjustments re: Hilltop Holdings Limited sale to General Fire Extinguisher Corporation (Canada) Limited of 155 Kipling Ave. South, Etobicoke and D. Samuel's account for legal fees in transaction.		
1791.	From main office of Walton, Wagman & Co.: file containing Hilltop		

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1799. From main office of Walton, Wagon & Co.: file containing working papers of Triangle Warehousing Limited October, 1962 to October, 1963.
1800. From main office of Walton, Wagon & Co.: file containing banking documents of Hilltop Holdings Limited: Canadian Imperial Bank of Commerce, account no. 540248, cheque book and 5 deposit books February, 1959 to May 1963; Bank of Nova Scotia deposit slips April to October, 1953; 3 Royal Bank deposit books October, 1953 to November, 1955.
1801. From main office of Walton, Wagon & Co.: file containing copies of correspondence between Walton, Wagon & Co. and Valley Farm and Enterprises Limited re: dealer reserves, income and operating expenses, accounts payable and corporation tax returns.
1802. From main office of Walton, Wagon & Co.: file containing working papers of Valley Farm and Enterprises Limited for January, May, September, October and November 1962 and February to October, 1963.
1803. From main office of Walton, Wagon & Co. File labelled "Valley Farm & Enterprises Limited", containing copy of account receivable from Arcan Corporation Limited, dated 28 February, 1963 and copy of Account Receivable from Dallas Holdings Limited dated 1 April, 1963.
1804. From main office of Walton, Wagon & Co.: file containing correspondence re: mortgage held by Traders Realty Limited on property owned by Valley Farm and Enterprises Limited.
1805. From office of S. Chusid. File containing audit reports for months of September 1961, April 1962 and September, 1962 and cancelled cheques and bank statement for January 1961 for John Belli Operations Limited.
1806. From main office of Walton, Wagon & Co. File containing working papers re: Cotton Jenny Limited, August, 1962 to January, 1963.

1807. From main office of Walton, Wagon & Co. File containing working papers re: Cotton Jenny Limited for employees' income tax deductions.
1808. From main office of Walton, Wagon & Co.: file containing prospectus of Dale Estate Limited, dated 11 December, 1961, re: issue of 400,000 shares at \$3.00 per share.
1809. From main office of Walton, Wagon & Co.: file containing copies of correspondence re: Returns and financial statements to be completed for Sprayfoil Corporation for 1963.
1810. From main office of Walton, Wagon & Co.: file containing working papers for corporation income tax and employees' income tax for 1961 for Pro Musica Limited.
1811. From main office of Walton, Wagon & Co.: file containing working papers for corporation income Tax for years 1960 and 1961 for Concourse Agencies Limited.
1812. From main office of Walton, Wagon & Co.: file containing working papers and carbon copy of financial statement of Concourse Agencies Limited as at 31 December, 1961.
1813. From main office of Walton, Wagon & Co.: file containing carbon copy of letter dated 17 September, 1963 David M. Samuel to Trans Caribbean Investments Limited re: incorporation of Trans Caribbean and copy of statement of account therein.
1814. From main office of Walton, Wagon & Co.: empty file folder labelled "Trans Caribbean Investments Limited—Income Tax".
1815. From main office of Walton, Wagon & Co.: file containing working papers for 1961 and 1962 for corporation income tax for Chatsworth Enterprises Limited and Trans Canada Millinery Sales Limited and copy of individual income tax return of G. Groshup for 1961.
1816. From main office of Walton, Wagon & Co.: file containing working papers of Pay As You Study Plan Limited.

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1817.	From main office of Walton, Wagman & Co.: file containing working papers for 1961 for corporation income tax for Pay As You Study Plan Limited.	1828.	From main office of Walton, Wagman & Co.: file containing working papers of American-Marsh Pumps (Canada) Limited for 1961 and 1962 and inventory sheets for 1961.
1818.	From office of S. Chusid: file containing working papers of Pay As You Study Plan for 1961 and audit notes.	1829.	From main office of Walton, Wagman & Co.: file containing working papers of American-Marsh Pumps (Canada) Limited for 1961 and 1962, copies of agenda and minutes of directors' meetings and correspondence.
1819.	From main office of Walton, Wagman & Co.: file containing working papers of Bond & Cosman Limited for 1961, 1962 and 1963.	1830.	From main office of Walton, Wagman & Co.: file containing working papers of Trans Canada Millinery Sales Limited for 1961, 1962 and 1963.
1820.	From main office of Walton, Wagman & Co.: file containing working papers for corporation income tax for Bond & Cosman Limited for 1962.	1831.	From main office of Walton, Wagman & Co.: file containing copies of corporation income tax returns of American-Marsh Pumps Limited for 1960, 1961 and 1962.
1821.	From main office of Walton, Wagman & Co.: file containing unsigned carbon copy of letter dated 6 August, 1963 to Sprayfoil Corporation re: Returns to be filed for Company.	1832.	From office of H. Wagman: file containing copies of box office statements of Treasure Island Gardens Limited for September and October 1963.
1822.	From main office of Walton, Wagman & Co.: file containing letter of commitment dated 13 April, 1962 from capital funds (I.A.C. Ontario) Limited to South London Corporation Limited re: loan of \$2,600,000 on White Oaks Shopping Centre; carbon copy of letter dated 20 December, 1962 from Coronation Investment Company Limited to South London Corporation Limited approving mortgage of \$375,000 on White Oaks Shopping Centre.	1833.	From office of H. Wagman: file containing memorandum of agreement dated 23 August 1963 between Maple Leaf Gardens Limited and The London Nationals Limited and Treasure Island Gardens Limited re: operation of a Junior "B" hockey team and copies of operating expenses for Frederick's Department Store Limited for 1962 and 1963.
1823.	From main office of Walton, Wagman & Co.: empty file folder labelled "Treasure Island Gardens Limited—Income Tax".	1834.	From office of H. Wagman: file containing master seating plan for Treasure Island Gardens.
1824.	From main office of Walton, Wagman & Co.: file containing working papers of The Pet Mart for 31 July, 1961.	1835.	From main office of Walton, Wagman & Co.: file containing copies of corporation income tax returns of Zeus Automotive Limited for 1962.
1825.	From main office of Walton, Wagman & Co.: empty file folder labelled "The Pet Mart—Income Tax".	1836.	From main office of Walton, Wagman & Co.: file containing working papers of American-Marsh Pumps (Canada) Limited for 1962 and 1963 and inventory sheets for 1962.
1826.	From main office of Walton, Wagman & Co.: file containing working papers of Pro Musica Limited for 1961 and 1962.	1837.	From main office of Walton, Wagman & Co.: file containing working papers of Bond & Cosman Limited for 1962 and 1963.
1827.	From main office of Walton, Wagman & Co.: file containing working papers of The Hat Mart at 31 July, 1961.		



<i>Exhibit No.</i>	<i>Description</i>
1838.	From main office of Walton, Wagman & Co.: file containing working papers of Zeus Automotive Armature Rewinding Company for 1962.
1839.	From office of H. Wagman: File containing working papers and correspondence of Jacroy Canada Limited and The Symphony Paint Company for 1962 and 1963.
1840.	From main office of Walton, Wagman & Co.: file containing working papers of Canada Motor Products (Toronto) Limited for March 1963 and Canada Motor Products (Blackstone) Limited for January 1963.
1841.	From main office of Walton, Wagman & Co.: file containing working papers of Zeus Automotive Rewinding Company for 1962.
1842.	From main office of Walton, Wagman & Co.: file containing correspondence re: repossession of cattle by branch offices of Atlantic Acceptance Corporation Limited.
1843.	From main office of Walton, Wagman & Co.: file containing working papers of Aurora Leasing Corporation Limited for January 1962 to October 1963.
1844.	From main office Walton, Wagman & Co.: file containing correspondence re: tax returns for Aurora Leasing Corporation Limited.
1845.	From office of H. Wagman: file containing correspondence between Corporate Plan Leasing Limited and H. Wagman re: Rebates due to Aurora Leasing Corporation Limited from Mack Trucks.
1846.	From office of H. Wagman: file containing copies of financial statements for Herald Superior Office Equipment Inc. at January 31, 1961 and for Commodore Portable Typewriter Company Limited — Toronto for 1960 and 1961.
1847.	From office of H. Wagman: file containing handwritten notes re: Trio Account, Aurora Leasing Corporation Limited, W. Walton and notes re: journal entries relative to Aurora Leasing Corporation's \$207,000 item.

<i>Exhibit No.</i>	<i>Description</i>
1848.	From main office of Walton, Wagman & Co.: file containing working papers of John Belli Operations Limited for 1961.
1849.	From main office of Walton, Wagman & Co.: file containing carbon copies of financial statements of John Belli Operations Limited for 1960, 1962 and 1963.
1850.	From main office of Walton, Wagman & Co.: file containing copies of corporation income tax returns of John Belli Operations Limited for 1961 and 1962.
1851.	From main office of Walton, Wagman & Co.: file containing copies of corporation income tax returns of Aurora Leasing Corporation Limited for 1961.
1852.	From main office of Walton, Wagman & Co.: file containing working papers of John Belli Operations Limited for 1959 and 1960.
1853.	From main office of Walton, Wagman & Co.: file containing copies of correspondence and memorandums of W. Walton re: control of Arcan Corporation Limited dated August to October 1962.
1854.	From main office of Walton, Wagman & Co.: file containing working papers of John Belli Operations Limited for 1962.
1855.	From office of H. Wagman: file containing cancelled cheques dated December 30, 1960 to September 27, 1963 drawn on Guaranty Trust account no. 13324 in names of H. Wagman and W. L. Walton.
1856.	From office of H. Wagman: file containing banking documents re: account no. 030-160, Canadian Imperial Bank of Commerce, 25 King Street West Branch, joint account in names of W. L. Walton, H. Wagman & C. P. Morgan: bank statements and cancelled cheques, March 16, 1962 to July 31, 1963 and deposit book May 24, 1962 to July 29, 1963.
1857.	From main office of Walton, Wagman & Co. File containing working papers of Canada Motor Products (Toronto) Limited at December 31, 1962 and of Canada Motor Products (Blackstone) Limited for 1963.



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1858.	From main office of Walton, Wagman & Co.: file containing copies of financial statements of Canada Motor Products (Blackstone) Limited at June 30, 1963 and August 31, 1963 and copies of tax returns of Commodore Factors Limited for 1961 and 1962.	1866.	From main office of Walton, Wagman & Co.: file containing correspondence, ledger sheets and financial statements of Crest Acceptance Corporation Limited.
1859.	From main office of Walton, Wagman & Co.: file containing working papers and copies of financial statements of Canada Motor Products (Toronto) Limited, January to April 1963 and copy of financial statement of Canada Motor Products (Blackstone) Limited for May 1963.	1867.	From main office of Walton, Wagman & Co.: file containing working papers of Adelaide Acceptance Limited for 1962 and 1963.
1860.	From main office of Walton, Wagman & Co.: file containing copy of annual return to Provincial Secretary of Canada Motor Products (Toronto) Limited as of March 31, 1963.	1868.	From main office of Walton, Wagman & Co.: file containing copies of corporation income tax returns of Crest Acceptance Corporation Limited for 1961.
1861.	From main office of Walton, Wagman & Co.: file containing copies of corporation income tax returns of Commodore Sales Acceptance Limited for 1961.	1869.	From safety deposit box no. 457, Guaranty Trust in name of Chartered Management Consultants (of Canada) Limited: file containing correspondence from D. P. Owen to C. P. Morgan re Arcan Corporation Limited and copy of agreement dated September 24, 1962 between C. P. Morgan and D. P. Owen re shares of Arcan Corporation Limited and appointment of directors.
1862.	From main office of Walton, Wagman & Co.: file containing working papers and copies of financial statements of Canada Motor Products (Toronto) Limited, August to November 1962 and of Canada Motor Products (Blackstone) Limited, July 1963.	1870.	From main office of Walton, Wagman & Co. File containing correspondence from Walton, Wagman & Co. to several companies to obtain confirmation of outstanding balances for audit purposes.
1863.	From main office of Walton, Wagman & Co.: file containing working papers of Commodore Sales Acceptance Limited and Commodore Factors Limited for 1961 and 1962.	1871.	From main office of Walton, Wagman & Co.: file containing working papers of Commodore Sales Acceptance Limited and Commodore Factors Limited for 1963.
1864.	From main office of Walton, Wagman & Co.: file containing eighth annual report, 1960, dated February 16, 1961 of Atlantic Acceptance Corporation Limited.	1872.	From main office of Walton, Wagman & Co.: file containing working papers of Commodore Sales Acceptance Limited and Commodore Factors Limited, January, 1962 to June, 1962.
1865.	From main office of Walton, Wagman & Co.: file containing ninth annual report of Atlantic Acceptance Corporation Limited, 1961, dated February 12, 1962 and copies of letters re: corporation income tax returns and financial statements of Concourse Agencies Limited, Pay As You Study Plan, Commodore Sales Acceptance Limited and Commodore Factors Limited.	1873.	From main office of Walton, Wagman & Co.: file containing working papers of Commodore Factors Limited for November and December 1962.
		1874.	Letter, dated April 2, 1965 from Purcell, Flynn, Deane & Browne to Dave King, with enclosure, being a draft letter to Donald W. Reid requesting trust acknowledgment of 25,000 Frederick's shares held in trust by D. W. Reid equally for W. A. King, D. G. King and D. W. Reid.

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1875. Copy of letter marked "Personal and Confidential" dated April 8, 1965, addressed to Mr. Donald W. Reid, from Dave King re: 25,000 Frederick's shares.
1876. Letter, dated April 13, 1965 from D. W. Reid to Dave King refusing acknowledgment of shares of Frederick's held in trust for W. A. King and D. G. King.
1877. Letter marked "Without Prejudice", dated May 12, 1965, to Mr. Dave King from D. W. Reid re: Mr. King's claims to shares of Frederick's advising Mr. King that a solicitor's lien had been placed on all documents held in Mr. Reid's office until Mr. King's outstanding Accounts had been paid and asking Mr. King to refrain from threats.
1878. Letter dated April 8, 1965 to Mr. Morgan from David King asking Mr. Morgan to acknowledge that Mr. King was entitled to 10,000 shares of Treasure Island Gardens Limited.
1879. Letter dated April 24, 1963 to David King from W. A. Pike re: payment of \$3,000 from British Mortgage & Trust Company to Mr. King in connection with services rendered to Treasure Island Shopping Centre.
1880. Letter dated December 18, 1964 to David King, signed W. A. Pahn, Treasure Island Properties Limited re: payment to Mr. King of \$606.12 for wages.
1881. Two-page memorandum dated October 26, 1962, to W. B. Easton, head office Atlantic Acceptance Corporation Limited, from R. F. Stewart, Cornwall Branch, re: proposed deal with Mr. Omer Poirier in connection with financing cattle in Glengarry, Stormont and Dundas Counties and Quebec.
1882. Folder containing bundle of bills of sale of Alexandria Commission auction and conditional sales contracts of Atlantic Acceptance Corporation Limited for the years 1961, 1962 and 1963, which relate to private deals of Mr. Poirier's at Alexandria Commission auction as identified by Mr. Poirier.
1883. Folder containing credit application for purchase of Dairy Cattle

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- Forms of Atlantic Acceptance Corporation Limited as identified by Mr. Poirier.
1884. Folder containing pad and portions of a pad of conditional sales contracts of Atlantic Acceptance Corporation Limited, as identified by Mr. Poirier.
1885. Folder containing envelopes with printed address, Atlantic Acceptance Corporation Limited, 8 Second Street West, Cornwall, Ontario, and blank chattel mortgage forms, as identified by Mr. Poirier.
1886. Folder containing two sets in quadruplicate of blank agreements in year 1962, with Omer Poirier cited as the First Party and a blank portion for the Second Party, as identified by Mr. Poirier.
1887. Promissory note, due November 15, 1961, and dated October 23, 1961, payable to the order of N.G.K. Investments Limited signed by Omer Poirier, in amount of \$11,000 as identified by Mr. Poirier.
1888. Letter dated November 27, 1961 from N.G.K. Investments Limited signed by H. J. Spanton to Omer Poirier re: Daniel Laflamme auction sale enclosing statement of receipts and disbursements dated Nov. 22, 1961, notes in favour of N.G.K. Investments in amount of \$11,000, schedule of notes lodged at Royal Bank, Alexandria in favour of N.G.K. Investments as identified by Mr. Poirier.
1889. Specially endorsed writ of summons dated July 15, 1963, No. 7655 for 1963 in County Court of County of York, in Action N.G.K. Investments Limited vs. Rolland Beaupre, Albert Latreille and Omer Poirier as identified by Mr. Poirier.
1890. Carbon copy of statement regarding Daniel Laflamme Auction held in Cornwall Township November 10, 1961, being a statement of the receipts, disbursements and proceeds of the sale as identified by Mr. Poirier.
1891. Photostatic copy of 1963 application to the Ontario Racing Commission for owner's licence in the name of C. Powell Morgan dated February 27, 1963 from the files of the Ontario Racing Commission.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1892.	Photostatic copy of 1964 renewal application to Ontario Racing Commission for owner's licence in the name of Campbell Powell Morgan, dated March 30, 1964, from the files of the Ontario Racing Commission.	1901.	Photostatic copy of 1963 application to Ontario Racing Commission for registration of stable name, Valley Farm, with the names Harry Wagman, William Walton, C. Powell Morgan, dated February 27, 1963 from files of Ontario Racing Commission.
1893.	Photostatic copy of 1964 application to Ontario Racing Commission for registration of colours in the name of Campbell Powell Morgan for the year 1964, from the files of the Ontario Racing Commission.	1902.	Photostatic copy of 9 pages of a horseman's statement in the name of Valley Farm stable, 62 Richmond St. West, Suite 803, Toronto, for the period April, May, June, July, September of 1962 and April, May, July and August, 1963, from the office of the Jockey Club Limited.
1894.	Photostatic copy of 1962 application to Ontario Racing Commission for owner's licence in the name of William L. Walton, dated April 7, 1962 from the files of the Ontario Racing Commission.	1903.	Photostatic copies of 9 cheques from May 23, 1962 to September 16, 1963 issued by the Jockey Club Limited payable to Valley Farm stable, from the office of the Jockey Club Limited.
1895.	Photostatic copy of renewal application to Ontario Racing Commission for owner's licence, 1963, in the name of William Louis Walton, dated February 27, 1963, from the files of the Ontario Racing Commission.	1904.	Photostatic copy of claim form dated August 3, 1963, claiming the horse Bonspiel, from the office of the Jockey Club Limited.
1896.	Photostatic copy of 1962 application to Ontario Racing Commission for owner's licence in the name of Harry Wagman dated April 26, 1962 from the files of the Ontario Racing Commission.	1905.	Photostatic copy of claim form dated August 5, 1963, claiming the horse Cathy Yates, from the office of the Jockey Club Limited.
1897.	Photostatic copy of application to Ontario Racing Commission for registration of colours for the year 1962 in the name of Harry Wagman and William L. Walton dated April 7, 1962 from the files of the Ontario Racing Commission.	1906.	Analysis prepared by B. W. McLoughlin headed "Valley Farm and Enterprises Limited, Profit and Loss on Disposal of Racehorses".
1898.	Photostatic copy of 1962 application to Ontario Racing Commission for registration of stable name, Valley Farm stable, with the names Harry Wagman and William L. Walton dated April 7, 1962 from the files of the Ontario Racing Commission.	1907.	Cheque no. 42 dated December 4, 1961 drawn on the Canadian Imperial Bank of Commerce to the order of G. Gordon Macken, in the amount of \$3,300 on the account of Valley Farm & Enterprises Limited, signed H. Wagman.
1899.	Photostatic copy of 1963 renewal application to Ontario Racing Commission for owner's licence in the name of Harry Wagman, dated February 27, 1963, from the files of the Ontario Racing Commission.	1908.	Cheque no. 132 dated June 29, 1962, drawn on the Canadian Bank of Commerce to the order of F. H. Merrill in the amount of \$2,750 on the account of Valley Farm & Enterprises Limited, signed H. Wagman.
1900.	Photostatic copy of 1963 application to Ontario Racing Commission for registration of colours in the name of Valley Farms, dated February 27, 1963, signed Valley Farm per H. Wagman, from files of Ontario Racing Commission.	1624.1	Memorandum entitled "Ontario Racing Commission, Memorandum of Sale of Horse, dated at Fort Erie this 16th day of August, 1963", being the sale of racehorse Chorus Queen for sum of \$800 — from office of Walton, Wagman & Co.



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1909. Cheque, dated August 1, 1963, drawn on Canadian Imperial Bank of Commerce, 25 King Street West, payable to order of Vern Martin Jr., in the amount of \$4,000.00 on the account of Valley Farm & Enterprises Limited, signed by H. Wagman — Re: purchase of thoroughbred named Bonspiel.
1910. Analysis prepared by Mr. McLoughlin entitled "Valley Farm & Enterprises Limited, Analysis of Entries in Books of Account re: Purse Income".
1911. Analysis prepared by Mr. McLoughlin of profit and loss on racing operations for the years ended June 30, 1962, 1963 and 1964.
- 1624.2 Receipt no. 121, dated March 12, 1963, of the Ontario Racing Commission, in the amount of \$96 received from William L. Walton—from office of Walton, Wagman & Co.
- 1624.3 Statement dated March 31, 1963 to Mr. H. Wagman, Valley Farm, re: account for training fee for three horses, March 16 to March 31, 1963 with attached letter from trainer—from office of Walton, Wagman & Co.
- 1624.4 Invoices and statements pertaining to horseracing charged to trucking expense—from office of Walton, Wagman & Co.
- 1624.5 Invoices of Veterinarians for the years 1963 and 1964—from office of Walton, Wagman & Co.
- 1624.6 Letter, being account in amount of \$82.16 dated January 23, 1963, to Harry Wagman from Charles E. Simmons re: vitamins for racehorses—From the office of Walton, Wagman & Co.
1912. Analysis prepared by Mr. McLoughlin entitled "Valley Farm & Enterprises Limited, Loss on Horse-Racing Operations".
1913. Unsigned photo-copy of handwritten letter commencing "Powell" and ending "Please check Goodfellow".
1914. Cheque drawn on the Toronto-Dominion Bank, dated March 19, 1963, payable to D. W. Reid, in trust, in the amount of \$3,000 signed by Mr. Morgan re: purchase of land in connection with arena extension at the Treasure Island Shopping Centre.

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1915. Cheque dated July 5, 1963, payable to Chartered Management Consultants of Canada in the amount of \$27,227 signed by Mr. Morgan re: Chartered Management Consultants' portion of the John Belli sale.
1916. Cheque in amount of \$28,000 dated July 5, 1963, payable to Dallas Holdings Limited signed by Mr. Morgan, re: Dallas Holdings portion of John Belli sale.
1917. Bank advice slip from Toronto Dominion Bank dated August 19, 1963, indicating charge of \$25,-007.85, being payment to E. T. Lynch and Company against delivery of 2,500 shares of St. Lawrence Industries Incorporated. These shares were purchased by Mr. Morgan from Mr. Allan Manus and the Corporation became Molly Corporation.
1918. Schedules prepared by Mr. Alles showing ownership of common and preferred shares of D.H.I. Limited.
1919. Schedule prepared by Mr. Alles of the directors of D.H.I. Limited.
1920. Letter from the records of D.H.I. Limited to Mr. M. Della Scala from Inter-Provincial Commercial Discount Corporation Limited, dated December 18, 1961, signed Mr. R. Scolnick, Vice-President and General Manager of Inter-Provincial Commercial Discount re: sale of control of shares of D.H.I. Limited.
1921. Letter from the records of D.H.I. Limited from Inter-Provincial Commercial Discount Corporation Limited to Mr. Della Scala dated December 27, 1961 signed by Mr. R. Scolnick re: purchase of D.H.I. Limited.
1922. Copy of letter from records of D.H.I. Limited to Mr. R. Scolnick of Inter-Provincial Commercial Discount dated January 3, 1962, unsigned re: financing of Syndicate for purchase of D.H.I. Limited.
1923. Letter from Inter-Provincial Commercial Discount addressed to Bernard Burton, solicitor for D.H.I. Limited, dated January 22, 1962 re: purchase of D.H.I. Limited by the syndicate—From files of Mr. Burton.



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1924.	Copy of letter to Carl Solomon from Inter-Provincial Commercial Discount Corporation dated April 13, 1962, re: purchase of D.H.I. Limited — From files of Mr. Burton.		in the amount of \$150,000 Registered as No. 5179.
1925.	Schedule prepared by Mr. Alles setting out particulars of debentures given to and executed by D.H.I. in favour of Inter-Provincial Commercial Discount Corporation Limited and Inter-Provincial Factors Limited.	1933.	Copy of Reporting Letter dated August 23, 1962 to C. Powell Morgan from Bernard Burton enclosing trust documents re: Mr. Morgan's beneficial interest in D.H.I. Limited — From files of Mr. Burton.
1926.	Signed copy of agreement prepared by Solomon & Samuel dated April 18, 1962, between Mastino Della Scala, D.H.I. Limited and Inter-Provincial Factors Company Limited re: sale of 80% of common shares of D.H.I. Limited to Inter-Provincial Factors.	1934.	Certified cheque dated July 3, 1962, from Aurora Leasing Corporation Limited signed by H. Wagman to Bernard Burton, in trust, in the amount of \$350,000 re: D.H.I. Limited.
1927.	Memorandum dated June 27, 1962, signed by Mr. Della Scala re: sale of all the Inter-Provincial interest in the shares and debentures of D.H.I. Limited — From files of Mr. Burton.	1935.	Credit advice from the Canadian Imperial Bank of Commerce dated July 3, 1962, showing that the bank had credited to the account of Aurora Leasing Corporation a \$325,000 Deposit by Commodore Sales Acceptance.
1928.	Signed copy of indenture dated June 27, 1962, between Mr. F. D. O'Connor as trustee, Inter-Provincial Factors Company Limited, Inter-Provincial Commercial Discount Corporation Limited and D.H.I. Limited re: purchase of shares of D.H.I. Limited.	1936.	Share certificate no. 41 in name of Mastino Della Scala for 1,007,999 common shares of D.H.I. Limited and attached Transfer of 1,007,999 common shares in blank dated July 12, 1963, signed by Mastino Della Scala.
1929.	Photostatic copy of reporting letter dated July 5, 1962, to C. Powell Morgan from Bernard Burton re: purchase of D.H.I. Limited by F. D. O'Connor as trustee for C. P. Morgan.	1937.	Preference share certificate no. 14, in the name of Mastino Della Scala for 3,062 preference shares of D.H.I. Limited and attached transfer of 3062 preference shares in blank, dated August 21, 1962, signed by Mastino Della Scala.
1930.	Photostatic copy of indenture dated June 29, 1962, between Inter-Provincial Factors Company Limited and Frederick D. O'Connor assigning to Mr. O'Connor a debenture in the amount of \$60,000 and Registered as No. 5209.	1938.	Preference share certificate no. 15 in name of Mastino Della Scala for 3,250 preference shares of D.H.I. Limited and attached Transfer of 3,520 preference shares dated July 12, 1963, signed by Mastino Della Scala.
1931.	Photostatic copy of indenture dated June 29, 1962, between Inter-Provincial Commercial Discount and Frederick D. O'Connor assigning to Mr. O'Connor a debenture in the amount of \$140,000 and Registered as No. 5250.	1939.	Photostatic copy of financial statement of D.H.I. Limited for period 9 months ending December 31, 1961, prepared by Messrs. Pape, Strom, Sherman & Company, Chartered Accountants.
1932.	Photostatic copy of indenture dated June 29, 1962, between Inter-Provincial Commercial Discount and Mr. Frederick D. O'Connor, assigning to Mr. O'Connor a debenture	1940.	Photostatic copy of financial statement of D.H.I. Limited for year ending March 31, 1961, prepared by Messrs. Pape, Strom, Sherman & Company, Chartered Accountants.
		1941.	Photostatic copy of financial statement for the year ending December 31, 1962 prepared by Messrs. Pape, Strom, Sherman & Company, Chartered Accountants.

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1942.	Schedule prepared by Mr. Alles showing summary of balance sheets of D.H.I. Limited for the years ending December 31, 1962 through 1964 and for the period ending September 30, 1965.	1952.	Declaration to Dalite Corporation (Canada) Limited from Mr. Powell Morgan, dated November 1, 1962 consenting to Appointment of Glick and Levine as auditors of the Company to replace Walton, Wagman & Co.
1943.	Schedule prepared by Mr. Alles showing summary of profit and loss statement of D.H.I. Limited and its Deficit commencing with the period ending March 31, 1961 through to period ending September 30, 1965.	1953.	Appraisal prepared by Dominion Appraisal Company Limited, addressed to Cerametal Industries Limited, dated December 15, 1961 together with schedule prepared by Mr. Della Scala.
1944.	Schedule prepared by Mr. Alles of loans payable to Commodore Sales Acceptance by D.H.I. Limited at the end of each year commencing in 1962 and including to September 30, 1965.	1954.	Two sheets of a document entitled "Valley Land Developments (Ottawa) Cash Flow", first page being dated 1963, second page 1964.
1945.	Schedule prepared by Mr. Alles showing a comparison of losses with increases in loans payable re: D.H.I. Limited.	1955.	Appraisal on letterhead of Donald G. Charbonneau of Ottawa, dated July 3, 1963, Appraising 800 Acres of land in Glencairn Townsite at value of \$6,212,258.
1946.	Agreement, dated July 5, 1963 between The Clarkson Company Limited and D.H.I. Limited re: purchase by D.H.I. of assets of Cerametal Industries Limited.	1956.	Document entitled "Overall Report, Estimate and Forecast, 1963 to 1966, Conarm Limited", from files of R. H. Cuzner, Solicitor, Ottawa.
1947.	Signed copy of indenture, dated July 8, 1963, between Capital Funds (I.A.C.) Limited, Dalite Corporation (Canada) Limited, Bernard Burton and the Clarkson Company Limited re: purchase by D.H.I. of assets of Cerametal Industries Limited.	1957.	Copy of document headed "Acknowledgment of Trust," dated July 29, 1965, signed by Mr. Della Scala re: 1,000 common shares of Conarm Developments Limited.
1948.	Photostatic copy of agreement dated July 4, 1963 between Dalite Corporation (Canada) Limited and D.H.I. Limited re: purchase of Assets of Cerametal Industries by D.H.I. Limited from Dalite Corporation for \$1,147,000.	1958.	Memorandum from files of R. H. Cuzner, headed "To Mr. R. H. Cuzner from C. P. Morgan, June 22, 1965" re: transfer of Mr. Morgan's Conarm shares to Mr. Della Scala.
1949.	Valuation of property in building owned by Cerametal Industries contained in letter from Chaffe, MacKenzie and Ray Limited to W. A. Farlinger, The Clarkson Company Limited, dated June 27, 1963.	1959.	Document prepared by Clarkson Gordon & Co. headed "Report to Montreal Trust Company of Consolidated Balance Sheet September 30, 1965, re: D.H.I. Limited".
1950.	Valuation of machinery and equipment of Cerametal Industries contained in letter from Danbury Sales Limited to The Clarkson Company Limited, dated July 12, 1963.	1960.	Schedule prepared by Mr. Mallett of common shareholders of Conarm Developments Limited and number of shares held by each as of April 11, 1963 and subsequent transfers of these shares.
1951.	Schedule prepared by Mr. Alles of Assets of Cerametal Industries Limited purchased from The Clarkson Company Limited by Dalite Corporation (Canada) Limited by D.H.I. Limited.	1961.	Handwritten schedule from files of R. H. Cuzner setting forth persons from whom moneys were received for purpose of acquiring common shares of Conarm Developments Limited.
		1962.	Agreement dated January 17, 1963 between Conarm Developments Limited and Valley Land Developments (Ottawa) Limited re: purchase of 800 acres of Land by Conarm from Valley Land for sum of \$1,647,910.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1963.	Agreement dated January 7, 1963, between Conarm Developments Limited and Valley Land Developments (Ottawa) Limited by which Valley land agreed to purchase by February 1, 1964, part of Lands conveyed to Conarm Developments Limited.		Limited and Valley Land Development (Ottawa) Limited respecting the acquisition of lots.
1964.	Audited financial statements of Conarm Developments Limited for year ended January 31, 1964, together with report of Armstrong, Cross and Company, Chartered Accounts.	1972.	File from records of Conarm Developments Limited labelled "British Mortgage & Trust Company," containing letter from British Mortgage & Trust Company to W. G. Connelly dated July 29, 1964 re: increased mortgage on Land and Purchase of a 10 per cent interest by British Mortgage & Trust Company in the Equity of Conarm Developments Limited.
1965.	Audited financial statements of Conarm Developments Limited for year ended January 31, 1965 together with report of Armstrong Cross and Company, Chartered Accountants.	1973.	Letter from records of Victoria and Grey Trust Company dated July 30, 1964 signed "C. P. Morgan re: 1,000 common shares of capital stock of Conarm Developments Limited held in trust for British Mortgage & Trust Company by C. P. Morgan.
1966.	Audited financial statement of Conarm Developments Limited for six-month period ending July 31, 1965 together with report of John Cross and Partners, Chartered Accountants.	1974.	Copy of loan mortgage document signed by Conarm Developments Limited, July 27, 1964 to British Mortgage & Trust Company for \$500,000 at 10 per cent.
1967.	Schedule prepared by Mr. Mallett being a comparison of principal entries of financial statements of Conarm Developments Limited for years 1964 and 1965 and showing company's position at February 1, 1963.	1975.	Letter dated January 19, 1965 from Aurora Leasing Corporation Limited addressed to Conarm Developments Limited re: due dates of Loans.
1968.	Schedule prepared by Mr. Mallett from the financial statements of Conarm Developments Limited showing Source and Application of Funds for years ended January 31, 1964 and 1965 and July 31, 1965.	1976.	Photostatic copy of hand-written two-page memorandum re: allotment of Shares of Cimcony of Canada Limited headed "Meeting Morgan, May 27, 1964" found in Mr. Goldberg's office in a box belonging to Mr. George Harold Weinrott.
1969.	Certified copy of mortgage, Instrument No. 14749, Registered January 31, 1964, at Registry Office of the County of Carleton between Valley Land Development (Ottawa) Limited and British Mortgage & Trust Company in the amount of \$375,000.	1977.	Photostatic copy of undertaking to subscribe for shares of Cimcony Limited dated October 1, 1964 on letterhead of Cimcony Limited signed by Thomas F. Riley, Carrol M. Shanks and George H. Weinrott—From files of Croll & Borins.
1970.	Plan made by S. A. Gitterman dated November, 1962 and described as V.L.D. proposed "Town Site" Hazeldean, Ontario.	1978.	Photostatic copy of letter from files of Croll & Borins dated March 10, 1965 on letterhead of Cimcony of Great Britain Limited to Marvin Goldberg from George H. Weinrott re: Shares of Cimcony Limited.
1971.	Two attached letters, one dated January 27, 1964 and one dated February 3, 1964, from Cuzner and MacQuarrie to W. G. Connelly, President of Conarm Developments Limited re: terms of Transaction between Conarm Developments	1979.	Photostatic copy of memorandum of Association of Cimcony of Bahamas Limited dated September 17, 1963, from files of Croll & Borins.



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1980. Photostatic copy of articles of association of Cimcony of Bahamas Limited dated September 17, 1963, from files of Croll & Borins.
1981. Photostatic copy of certificate no. 6055 of Registrar-General's Office, Nassau, Bahamas dated June 30, 1964—Changing of name "Cimcony of Bahamas Limited" to "Cimcony Limited", from files of Croll & Borins.
1982. Certificate of the incorporation of a company in the Isle of Man re: Cimcony of Great Britain, Limited, from files of Croll & Borins.
- 710.1. Photostatic copy of memorandum dated November 6, 1964 headed "Memorandum on Tax Considerations Involved in the Formation of Cimcony Organization", from F. L. Dougan of Peat, Marwick, Mitchell & Co., New York to G. H. Weinrott, E. R. Weinrott and C. Shanks with covering letter to Mr. Shanks—From file of documents from office of Wagman, Fruitman & Lando in August, 1965.
1983. Photostatic copy of minutes of directors meetings held on September 17, 1963 in Buffalo, New York and September 20, 1963 in New York; of F.F.C. Construction Corporation, New York, from files of Croll & Borins.
1984. Photostatic copy of share certificate no. 1 of F.F.C. Construction Corporation for 5,000 common Shares dated September 20, 1963 certifying that Cimcony of Canada Limited is owned of these shares—From files of Croll & Borins.
1985. Photostatic copy of letter on the letterhead of Wright, Parlow, Morris, Arnold & Blander, Columbus, Ohio, dated October 15, 1963, addressed to Marvin Goldberg and signed Frank R. Morris, Jr. re: housing by Cimcony Incorporated—From files of Croll & Borins.
1986. Photostatic copy of document entitled "Action by Shareholders Without a Meeting, Columbus, Ohio, January 11, 1965", signed "George H. Weinrott" stating that Mr. Weinrott is the holder of all issued and outstanding shares of housing by Cimcony Limited and re-electing Mr. Goldberg as a director of the company—From files of Croll & Borins.

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*Description*

1987. Minute book of Ticonderoga Investments Limited.
1988. Common share certificate book of Ticonderoga Investments Limited.
1989. Preferred share certificate book of Ticonderoga Investments Limited.
1990. Minute book of Briardale Investments Limited.
1991. Common share certificate book of Briardale Investments Limited.
1992. Preferred share certificate book of Briardale Investments Limited.
1993. Photostatic copy of memorandum from Mr. Goldberg's files headed "Cimcony of Canada Limited" setting forth the position of the Principles of the shareholdings of the company as at May 2, 1963.
1994. Photostatic copy of two-page memorandum with main heading "Cimcony of Canada Limited", from box of files left in Mr. Goldberg's possession by Mr. Weinrott.
1995. Letter of certification dated May 9, 1963 to the Manager, Bank of Nova Scotia, Head Office, Toronto, signed "Cimcony of Canada Limited" by T. Stevens, President and G. H. Weinrott, Assistant Secretary, from files of Croll & Borins.
1996. Original by-law certificate of Cimcony of Canada Limited dated May 9, 1963, prepared by Croll & Borins.
1997. Original certificate of a banking resolution of the directors of Cimcony of Canada Limited dated May 9, 1963, prepared by Croll & Borins.
1998. Photostatic copies of three banking documents prepared by Croll & Borins dated May 9, 1963, which were taken to the Bank of Nova Scotia on June 14, 1963 re: Cimcony of Canada Limited.
1999. Photostatic copy of notes (three pages) with heading "G. H. Weinrott" re: Cimcony of Canada Limited—From box of files left in Mr. Goldberg's possession by Mr. Weinrott.
2000. Letter dated May 1, 1963 from Valley Farm and Enterprises Ltd. to G. H. Weinrott re: purchase by Valley Farm of \$100,000 in shares of Cimcony of Canada Limited, from files of Croll & Borins.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2001.	Carbon copy of letter dated May 9, 1963, Croll, Borins & Shiff to Valley Farm and Enterprises Limited re: Shares of Cimcony of Canada Limited, from files of Croll & Borins.	2010.	Copy of letter, dated November 27, 1963, from Croll, Borins & Shiff to Commodore Sales Acceptance Limited re: unexecuted agreements respecting purchase of mortgages, agreement between G. H. Weinrott and Cimcony of Canada Limited as to management and agreement between Valley Farm and Mr. Weinrott—From files of Croll & Borins.
2002.	Photostatic copy of letter dated May 9, 1963, Valley Farm and Enterprises Limited to Cimcony of Canada Limited re: purchase of 17,000 common shares of Commodore Business Machines (Canada) Limited.	2011.	Copy of letter dated March 26, 1964, from Croll, Borins & Shiff to David Samuel re: finalization of documentation between Atlantic Acceptance Corporation Limited and George H. Weinrott concerning Cimcony of Canada Limited—From files of Croll & Borins.
2003.	Photostatic copy of carbon copy of letter dated July 16, 1963, Croll, Borins & Shiff to Department of Insurance re: mortgage broker's application — Cimcony of Canada Limited.	2012.	Copy of letter dated January 8, 1965, Cimcony Limited signed by G. H. Weinrott to Croll, Borins & Shiff re: control of Cimcony of Canada, Ticonderoga and Briardale Investments and capital structure of Valley Farm and Enterprises Limited—From files of Croll & Borins.
2004.	Number of cheques drawn on account no. 16-19 of Bank of Nova Scotia, Thompson, Manitoba, branch in blank as to amount and payee signed "Briardale Investments Limited by G. H. Weinrott, President per H. Wagman" or "Briardale Investments Limited G. H. Weinrott", from box of files left in Mr. Goldberg's possession by Mr. Weinrott.	2013.	Copy of letter dated June 7, 1965, Croll & Borins to Wagman, Fruitman & Lando re: Cimcony of Canada Limited and Valley Farm and Enterprises Limited, from files of Croll & Borins.
2005.	Two-page handwritten memorandum dated July 19, 1963 and July 26, 1963 headed "Croll" which was apparently written by Mr. Weinrott containing references to housing by Cimcony Inc., from files left in Mr. Goldberg's possession by Mr. Weinrott.	2014.	General ledger of Cimcony of Canada Limited, Briardale Investments Limited and Ticonderoga Investments Limited, from the office of the Clarkson Company Limited, Trustees in Bankruptcy of Cimcony of Canada Limited.
2006.	Bundle of photostats being memoranda left in Mr. Goldberg's possession by Mr. Weinrott.	2015.	Book of receipts and disbursements, wages and general journal for Cimcony of Canada Limited, Briardale Investments Limited, Ticonderoga Investments Limited and Accounting Records of Marcel de Johnckheere (in trust), and George H. Weinrott (in trust), from the office of the Clarkson Company Limited.
2007.	File marked "Suppliers Statements, Request for Payment" (stroked out) and "To be Alloc", from files left in Mr. Goldberg's possession by Mr. Weinrott.	2016.	Schedule prepared by Mr. Scott entitled "Source and Disposition of Funds, May 10, 1963 to September 30, 1965, Cimcony of Canada Limited, Briardale Investments Limited and Ticonderoga Investments Limited".
2008.	Draft option agreement, June 10, 1963, between Valley Farm and Enterprises Limited and George H. Weinrott & Company Inc. re: purchase of one-half of shares in Cimcony of Canada Limited, from files of Croll & Borins.	2017.	Three-page schedule prepared by Mr. Scott entitled "Cimcony of Canada Limited, Schedule of Funds Received from Commodore Sales Acceptance Limited, August 19, 1963 to June 11, 1965".
2009.	Draft agreement dated May 24, 1963 between Cimcony of Canada Limited and George H. Weinrott re: employment contract, from files of Croll & Borins.		

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2018.	Schedule prepared by Mr. Scott entitled "Cimcony of Canada Limited, Reconciliation of Net Funds Received from Commodore Sales Acceptance Limited to Balance on Books of Commodore Sales Acceptance Limited at June 30, 1965".		September 12, 1963 to October 16, 1964".
2019.	Schedule prepared by Mr. Scott entitled "Cimcony of Canada Limited, Analysis of Funds Received from Valley Farm & Enterprises Limited from May 10, 1963 to August 15, 1963."	2025.	Schedule prepared by Mr. Scott entitled "Schedule of Payments to George H. Weinrott & Company Inc. from November 14, 1963 to October 23, 1964".
1600.1	Memorandum from George H. Weinrott to Mr. H. Wagman dated July 24, 1963 signed "George" re: order for sale of 6,000 shares of Commodore Business Machines, cheque to be made payable to Cimcony of Canada Limited—From a file from the offices of Walton, Wagman & Co.	2026.	Schedule prepared by Mr. Scott entitled "Cimcony of Canada Limited, Schedule of Payments made to Dalite Corporation (Canada) Limited, October 25, 1963".
1600.2	Memorandum from George H. Weinrott to Mr. H. Wagman dated August 14, 1963, signed "George Weinrott" re: payment of balance owing for shares of Commodore Business Machines—From a file from the offices of Walton, Wagman & Co.	2027.	Schedule prepared by Mr. Scott entitled "Cimcony of Canada Limited, Summary Analysis of Other Amounts Paid for Building Costs and Expenses from May 10, 1963 to September 30, 1965".
2020.	Schedule prepared by Mr. Scott entitled "Cimcony of Canada Limited, Schedule of Rental Revenues and Miscellaneous Receipts, from May 10, 1963 to September 30, 1965".	2028.	Schedule prepared by Mr. Scott entitled "Briardale Investments Limited, Schedule of Net Funds Received from Ticonderoga Investments Limited from October 11, 1963 to March 2, 1964".
2021.	Schedule prepared by Mr. Scott entitled "Cimcony of Canada Limited, Schedule of Transactions with Aurora Leasing Corporation Limited and Atlantic Acceptance Corporation Limited from May 28, 1964 to September 29, 1964".	2029.	Schedule prepared by Mr. Scott entitled "Briardale Investments Limited, Analysis of Payment Made to Commodore Sales Acceptance Limited, October 11, 1963".
2022.	Schedule prepared by Mr. Scott entitled "Cimcony of Canada Limited, Schedule of Funds Advanced to Briardale Investments Limited from July 16, 1963 to April 29, 1964".	2030.	Schedule prepared by Mr. Scott entitled "Briardale Investments Limited, Schedule of Payments Made to Housing by Cimcony, Inc. from August 9, 1963 to February 19, 1964".
2023.	Two-page Schedule prepared by Mr. Scott entitled "Cimcony of Canada Limited, Schedule of Funds Advanced to Ticonderoga Investments Limited from July 24, 1963 to May 6, 1964".	2031.	Schedule prepared by Mr. Scott entitled "Briardale Investments Limited, Schedule of Payments Made to Dalite Corporation (Canada) Limited from July 23, 1963 to October 24, 1963".
2024.	Schedule prepared by Mr. Scott entitled "Cimcony of Canada Limited, Schedule of Payments to Housing by Cimcony Inc. from	2032.	Schedule prepared by Mr. Scott entitled "Briardale Investments Limited, Schedule of Other Amounts Paid for Building Costs and Expenses July, 1963 to June, 1964".
		2033.	Schedule prepared by Mr. Scott entitled "Ticonderoga Investments Limited, Schedule of Payments Made to Housing by Cimcony Inc., for September 11, 1963 to April 29, 1964".
		2034.	Schedule prepared by Mr. Scott entitled "Ticonderoga Investments Limited, Schedule of Other Amounts Paid for Building Costs and Expenses from August, 1963 to August, 1964".

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2035.	Two-page Schedule prepared by Mr. Scott entitled "Cimcony of Canada Limited, Briardale Investments Limited, Ticonderoga Investments Limited, List of Mortgage Securities".	2044.	Balance sheet of Briardale Investments Limited as of September 30, 1965, prepared from the books of account by Mr. Scott.
2036.	Schedule prepared by Mr. Scott entitled "Cimcony of Canada Limited, Briardale Investments Limited, Ticonderoga Investments Limited: Schedule of Fees Paid to George H. Weinrott & Company Inc., August 30, 1963 to October 23, 1964".	2045.	Statement of profit and loss of Briardale Investments Limited, June 1, 1964 to September 30, 1965, prepared from the books of account by Mr. Scott.
2037.	Group of invoices from George H. Weinrott & Company Inc. showing amounts which are recorded on Exhibit 2036 re: Cimcony of Canada Limited, Briardale Investments Limited and Ticonderoga Investments Limited.	2046.	Balance Sheet of Ticonderoga Investments Limited as of September 30, 1965, prepared from the books of account by Mr. Scott.
2038.	Two-page schedule prepared by Mr. Scott entitled "Cimcony of Canada Limited, Briardale Investments Limited, Ticonderoga Investments Limited: Schedule of Payments to Housing by Cimcony Inc. from August 9, 1963 to October 16, 1964".	2047.	Statement of profit and loss of Ticonderoga Investments Limited, June 1, 1964 to September 30, 1965, prepared from the books of account by Mr. Scott.
2039.	Group of invoices from Housing by Cimcony Incorporated showing amounts which are recorded on Exhibit 2038 re: Cimcony of Canada Limited, Briardale Investments Limited, Ticonderoga Investments Limited.	2048.	Schedule prepared by Mr. Scott entitled "Cimcony of Canada Limited, Briardale Investments Limited, Ticonderoga Investments Limited—Combined List of Assets according to Books of Account at September 30, 1965".
2040.	Schedule prepared by Mr. Scott entitled "Cimcony of Canada Limited, Briardale Investments Limited, Ticonderoga Investments Limited: Summary of Payments to Dalite Corporation (Canada) Limited July 23, 1963, and October 23, 24 and 25, 1963".	2049.	Schedule prepared by Mr. Scott entitled "Cimcony of Canada Limited, Briardale Investments Limited, Ticonderoga Investments Limited, Estimated Value of Assets at September 30, 1965 and Estimate of Loss to Creditors".
2041.	Group of invoices and statements from Dalite Corporation (Canada) Limited showing amounts which are recorded on Exhibit 2040 re: Cimcony of Canada Limited, Briardale Investments Limited, Ticonderoga Investments Limited.	2050.	Appraisal report dated July 12, 1965 by Donald B. Somerville Limited, Consulting Engineers, for the Clarkson Company Limited re: Cimcony Properties, Thompson, Manitoba.
2042.	Balance sheet of Cimcony of Canada Limited, as of September 30, 1965, prepared from the books of account by Mr. Scott.	2051.	Photostatic copy of a letter certifying officers of Cimcony of Canada Limited dated May 9, 1963 with an inscription in upper left hand corner in pencil "Received from A. W. Harrington per W. Sparks 12.05 p.m. 6th June, 1963" with initials T. S. beneath inscription.
2043.	Statement of profit and loss, Cimcony of Canada Limited from Incorporation to September 30, 1965, prepared from the books of account by Mr. Scott.	2052.	Photostatic copy of purchase order, Briardale Investments Limited, November 18, 1963, to Timac Furniture Company, Thompson, Manitoba.
		2053.	Schedule entitled "Cimcony of Canada Limited, Briardale Investments Limited, Ticonderoga Investments Limited: Schedule of Amounts Paid to Croll, Borins & Shiff from May 29, 1963 to January 8, 1965", prepared from banking records and books of account of the three companies by Mr. Scott.



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2054. Combined statement of profit and loss as of September 30, 1965, in respect of Cimcony of Canada Limited, Briardale Investments Limited, and Ticonderoga Investments Limited, prepared from the books of account of the three companies by Mr. Scott.
2055. Two-page Schedule entitled "Cimcony of Canada Limited, Briardale Investments Limited, Ticonderoga Investments Limited: List of Mortgage Securities", prepared from copies of mortgage documents obtained from trustee in bankruptcy of Cimcony of Canada Limited by Mr. Scott.
2056. Photostatic copy of certified copies of mortgage in amount of \$25,000 Ticonderoga Investments Limited to Cimcony of Canada Limited, registered September 17, 1963, and Assignment to Albert George Woolfrey registered November 19, 1964, covering Lot 5, Block 82, Townsite of Thompson, Manitoba, obtained by Mr. Scott from the trustee in bankruptcy of Cimcony of Canada Limited.
2057. Photostatic copies of certified copies of mortgage in amount of \$10,000, Ticonderoga Investments Limited to Cimcony of Canada Limited, registered March 19, 1964, and Assignment to Albert George Woolfrey registered November 19, 1964, covering Lot 5, Block 82, Townsite of Thompson, Manitoba.
2058. Photostatic copies of certified copies of mortgage in amount of \$25,000, Ticonderoga Investments Limited to Cimcony of Canada Limited registered March 19, 1964 and Assignment to Albert George Woolfrey, registered November 19, 1964, covering Lot 2, Block 44, Townsite of Thompson, Manitoba.
2059. Photostatic copies of certified copies of mortgage in amount of \$500,000, Ticonderoga Investments Limited to Cimcony of Canada Limited registered September 30, 1963, and Assignment to Albert George Woolfrey registered November 19, 1964, covering all of Block 115, Townsite of Thompson, Manitoba.
2060. Photostatic copies of chattel mortgage, Ticonderoga Investments Limited to Cimcony of Canada Limited, registered February 21, 1964 and Assignment to Albert

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- George Woolfrey registered October 29, 1964, covering contents of Furniture Factory, Thompson, Manitoba, in amount of \$65,000.
2061. Photostatic copies of mortgage, Ticonderoga Investments Limited to Cimcony of Canada Limited registered February 21, 1964 and Assignment to Albert George Woolfrey registered October 29, 1964, covering chattels located at Briardale Club, in amount of \$100,000.
2062. Photostatic copies of certified copies of mortgage, Briardale Investments Limited to Cimcony of Canada Limited, registered August 2, 1963 and Assignment to Albert George Woolfrey registered November 19, 1964, covering Parcel B, Block 20, Plan 743, Neepawa, Townsite of Thompson, being location of Briardale Club, in amount of \$500,000.
2063. Photostatic copies of certified copies of mortgage, Briardale Investments Limited to Cimcony of Canada Limited registered February 21, 1964 and Assignment to Albert George Woolfrey registered October 29, 1964, covering Chattels in Briardale Club, in the amount of \$100,000.
2064. Photostatic copies of certified copies of mortgage, Briardale Investments Limited to Cimcony of Canada Limited registered February 21, 1964 and Assignment to Albert George Woolfrey registered October 29, 1964, covering freezer building and some contents of Briardale Club, in the amount of \$50,000.
2065. Photostatic copy of certified copy of mortgage, Russel L. Hill to Albert George Woolfrey registered July 8, 1965 covering display house on Lot 8, Block 82, Townsite of Thompson, Manitoba, in the amount of \$14,000.
2066. Photostatic copy of mortgage, F.F.C. Construction Corporation to Cimcony of Canada Limited registered November 26, 1963 covering display house, William Street Properties, Buffalo, in the amount of \$25,000.
2067. Photostatic copy of mortgage, Akhill Limited to Albert George Woolfrey, registered July 27, 1965 covering Furniture Factory on Lot 2, Block 44, Townsite of Thompson, Manitoba, in the amount of \$20,000.



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2068.	Direction from files of Croll & Borins dated March 3, 1964, Commodore Sales Acceptance Limited to Cimcony of Canada Limited and its solicitors, Messrs. Croll, Borins & Shiff re: Transfers of Mortgages in Thompson, Manitoba in the name of Albert George Woolfrey.	2076.	Certified photostatic copy of deposit slip, Toronto-Dominion Bank, dated July 5, 1963 for the account of C. P. Morgan, No. 753126, showing deposit of \$55,342.21.
2069.	Letter from files of Croll & Borins dated February 26, 1964 from David Samuel to M. A. Goldberg of Croll, Borins & Shiff re: Assignment of mortgages to Commodore Sales Acceptance Limited by Cimcony of Canada Limited.	2077.	Certified photostatic copy of ledger sheet for the account of Mr. C. Powell Morgan, Toronto-Dominion Bank, June 28, 1963, to July 31, 1963.
2070.	Certified copy of Bank of Nova Scotia advice of loan dated June 4, 1959, re: Loan to C. P. Morgan in amount of \$10,000 for investment in John Belli Operations Limited.	2078.	General ledger book of original entry of Executive Acceptance Corporation Limited, from the office of Walton, Wagman & Company.
2071.	Certified copy of demand loan diary sheet of Bank of Nova Scotia in name of C. P. Morgan for account no. 456-347, for the period June 4, 1959 to June 21, 1960.	2079.	Folder from office of Walton, Wagman & Co. containing transfer sheets, general ledger and book of original entry of Executive Acceptance Corporation Limited.
2072.	Certified photostatic copy of an undated letter on the letterhead of the Bank of Nova Scotia, Toronto, Ontario, addressed to Mr. Powell Morgan and with the stamped signature H. G. Washburn, Assistant Manager, enclosing notes held as security by the bank for loan of \$10,000.	2080.	File from office of Walton, Wagman & Co. labelled "John Belli Operations Limited," containing conditional sales contracts between John Belli Operations Limited and Dundas Sheet Metal Work Limited, copy of insurance policy on Old Angelo's Restaurant and Notes dated June 1960 to August 1962, payable to Executive Acceptance Corporation Limited by John Belli Operations Limited.
2073.	Certified photostatic copy of a receipt of the Bank of Nova Scotia, no. D-07152, dated June 22, 1960, P. Morgan, being a receipt for two promissory notes of \$5,000 each signed by John R. Shemilt and Robert Hunter and an agreement between C. P. Morgan, John Shemilt and Robert Hunter re: promissory notes.	2081.	Cancelled cheque dated November 16, 1961, from Aurora Leasing Corporation Limited signed by H. Wagman to William J. Stewart drawn on account no. 127328 in amount of \$1,250., from the records of the Clarkson Company Limited, trustee for Aurora Leasing Corporation Limited.
2074.	Photostatic copy of credit memorandum of the Bank of Nova Scotia dated July 5, 1962, crediting account no. 456-347 in name of C. Powell Morgan with cheque in amount of \$3,227 from Chartered Management Consultants (of Canada) Limited.	2082.	Cancelled cheque dated December 5, 1961, from Aurora Leasing Corporation Limited signed by W. L. Walton to Chartered Management Consultants (of Canada) Limited drawn on account no. 127328 in the amount of \$1,000, from the records of the Clarkson Company Limited.
2075.	Photostatic copy of Bank of Nova Scotia monthly banking statement for the month of July, 1962, for the account of C. Powell Morgan.	2083.	Cancelled cheque dated December 14, 1961, from Aurora Leasing Corporation Limited signed by H. Wagman to John Belli drawn on account no. 217328 in amount of \$5,000, from the records of the Clarkson Company Limited.
		2084.	Bundle of documents being general ledger and books of original entry of Dallas Holdings Limited, from the Clarkson Company Limited.

<i>Exhibit No.</i>	<i>Description</i>
2085.	Bundle of bank statements of The Canadian Imperial Bank of Commerce, together with cancelled cheques and debit and credit vouchers for November, 1963, to July, 1965, for account of Dallas Holdings Limited.
2086.	Carbon copy of agreement dated June 4, 1959, between John Belli, John Shemilt, Robert L. Hunter and C. Powell Morgan re: refinancing of John Belli Operations Limited.
2087.	Carbon copy of an agreement made in triplicate December 7, 1959, between John R. Shemilt, John Belli, Robert L. Hunter and C. Powell Morgan.
2088.	Cancelled cheque no. 800, drawn on the Canadian Imperial Bank of Commerce, dated July 4, 1963, payable to Solomon & Singer, in trust, from Aurora Leasing Corporation Limited, in the amount of \$75,000.
2089.	Photostatic copy from the books of account of the firm of Solomon & Singer, trust account receipts from June 3, 1963 to July 8, 1963.
2090.	Photostatic copy from the books of account of the firm of Solomon & Singer entitled "Client's Ledger, Old Angelo's Restaurant, John Belli Operations Limited," July 23, 1963, to November, December or January 31, 1965.
2091.	Photostatic copy from the books of account of the firm of Solomon & Singer entitled "Trust Account Disbursements", from July 4, 1963 to July 31, 1963.
2092.	Three bundles of accounting records, being the general ledger for John Belli Operations Limited for the period November 19, 1958 to June 30, 1965.
2093.	Bundle of accounting records being the general journal of John Belli Operations Limited for the period October, 1958 to June 30, 1965.
2094.	Bundle of accounting records of John Belli Operations Limited being original cash disbursements records, month of December, 1958 to December 31, 1964.
2095.	Bundle of accounting records of John Belli Operations Limited, being documents of charged sales,

<i>Exhibit No.</i>	<i>Description</i>
	month of July, 1959 to and including month of December, 1964.
2096.	Bundle of accounting records of John Belli Operations Limited, being records of petty cash for the months of July, 1959 to and including the month of December 1964.
2097.	Bundle of accounting records of John Belli Operations Limited being records of cash receipts for the period November, 1958 to and including the month of December, 1964.
2098.	Bundle of accounting records of John Belli Operations Limited being the monthly journals for the period August, 1961 to and including the month of May, 1964.
2099.	Carbon copy of agreement dated June 4, 1959 made between John Belli Operations Limited and Fairfax Investments (Canada) Limited re: payment of \$46,944.57 to Fairfax Investments by John Belli Operations Limited, to discharge mechanics lien on premises at 45-47 Elm St., Toronto.
2100.	Demand promissory note in the amount of \$65,132.91 dated Toronto, Ontario, June 21, 1960 to Atlantic Acceptance Corporation Limited from John Belli Operations Limited, signed by John Belli and John Shemilt.
2101.	Demand promissory note in the amount of \$19,500 dated December 1, 1961 to Aurora Leasing Corporation Limited from John Belli Operations Limited, signed by John Belli and John Shemilt.
2102.	Carbon copy of agreement dated June 12, 1962 between John Belli as vendor, John R. Shemilt as purchaser and John Belli Operations Limited re: purchase of 6,667 common shares and 1380 preference shares of the Company for \$20,000. Carbon copy of supplemental agreement dated June 13, 1962 between the same parties, amending agreement of June 12, 1962.
2103.	Three share certificates marked "Cancelled", dated June 29, 1962, for 2,221, 2,223 and 2,222 common shares respectively of John Belli Operations Limited, all in the name of John R. Shemilt.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2104.	Pass book of Guaranty Trust Company of Canada, account no. 12852 in name of John R. Shemilt together with cheque no. 92 on the aforesaid account dated June 18, 1962, to Liquor Control Board of Ontario in the amount of \$5,000, signed by John R. Shemilt.		e) To C. Powell Morgan in amount of \$34,642.41 re: repayment of indebtedness of J. Shemilt.
2105.	Cheque dated July 2, 1963, drawn on account no. 30515, Royal Bank of Canada to Solomon & Singer, in the amount of \$22,000, signed by John R. Shemilt.	1679.2	Reporting letter of Solomon, Singer & Rosen, dated July 12, 1963, to Aurora Leasing Corporation Limited, c/o Walton & Wagman re: refinancing of John Belli Operations Limited.
2106.	Schedule prepared by Mr. McLoughlin entitled "John Belli Operations Limited, Analysis of Consolidation of Loans and Finance Contracts, June 20, 1960".	2080.1	Promissory note dated July 27, 1959 in the amount of \$11,363.04 in favour of Dundas Sheet Metal Work Limited, signed John Belli Operations Limited per John Belli, President, from the office of Walton & Wagman.
1722.1	Trial balance of Chartered Management Consultants (of Canada) Limited as at November 30, 1962, from office of Walton, Wagman & Co.	2080.2	Promissory note dated July 30, 1959 in the amount of \$4,353.52 in favour of Dundas Sheet Metal Work Limited signed John Belli Operations Limited per John Belli, President, from the office of Walton, Wagman & Co.
1722.2	Typed balance sheet of Chartered Management Consultants (of Canada) Limited as at November 30, 1962, from office of Walton, Wagman & Co.	2107.	Certified copy of chattel mortgage on furniture and equipment on premises 45-47 Elm St. dated June 21, 1960, for \$65,132.91, John Belli Operations Limited to Atlantic Acceptance Corporation Limited, registered as Instrument No. 42834 on June 30, 1960 in County Court of the County of York.
1722.3	Carbon copy of letter dated December 4, 1961, Walton, Wagman & Company to C. M. Solomon re: shareholders of common stock of Chartered Management Consultants (of Canada) Limited, from office of Walton, Wagman & Co.	2108.	Letter dated July 2, 1963, to C. Powell Morgan from John R. Shemilt acknowledging sum of \$34,642.41 advanced by C. P. Morgan to J. R. Shemilt to purchase stock through agreement dated July 2, 1963.
1679.1	Copy of an agreement dated July 2, 1963, between C. P. Morgan, J. R. Shemilt and John Belli Operations Limited re: sale of 2,070 Class A preference shares of John Belli Operations Limited, from office of Walton, Wagman & Co.	1679.3	Copy of application for renewal of licence for Old Angelo's Restaurant from Liquor Licence Board of Ontario, with supporting documents dated March 20, 1962, signed by John Belli, from office of Walton Wagman & Co.
1045.1	Five cheques dated July 4, 1963 from Solomon & Singer Trust Account; a) to C. Powell Morgan in amount of \$20,700 re: sale of 2,070 Class A preference shares. b) To Aurora Leasing Corporation Limited in amount of \$10,000 re: indebtedness of John Belli Operations. c) To Atlantic Acceptance Corporation Limited in amount of \$24,657.59 re: indebtedness of John Belli Operations. d) To Adelaide Acceptance Limited in amount of \$10,000 re: indebtedness of John Belli Operations Limited.	1679.4	Copy of application for transfer of licence for Old Angelo's Restaurant by Liquor Licence Board of Ontario, with supporting documents dated June 18, 1962, signed by John Shemilt.
		2109.	Certified copy of discharge dated July 4, 1963 of chattel mortgage, John Belli Operations Limited to Atlantic Acceptance Corporation Limited in amount of \$65,132.91; discharge registered as no. 435 in County Court of County of York.



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- 2110. Certified copy of chattel mortgage on furniture and equipment on premises at 45-47 Elm St., dated July 2, 1963 between John Belli Operations Limited and Aurora Leasing Corporation Limited in amount of \$75,000 registered as Instrument No. 57350 in the County Court of County of York.
- 2111. Letter dated May 6, 1966, Royal Bank of Canada to Mr. & Mrs. J. R. Shemilt re: 10,001 common shares and 2,070 preferred shares of Old Angelo's Restaurant as security for loan of \$25,000.
- 2112. Photostatic copy of both sides of promissory note dated July 2, 1963, J. R. Shemilt to Royal Bank of Canada in amount of \$25,000 re: Old Angelo's Restaurant Limited.
- 2092.1 Photostatic copy of account 52-A John Shemilt loan, from general ledger of John Belli Operations Limited.
- 2113. Cheque on account no. 12852 in name of J. R. Shemilt at the Guaranty Trust Company of Canada, 366 Bay Street, dated July 2, 1963, to the order of Solomon & Singer, \$3,000.
- 2114. File folder and contents labelled "John Belli Operations Limited, Company File 538," from office of C. M. Solomon.
- 2114.1 Typewritten and handwritten pages being draft of agreement, dated December 7, 1959 between John Shemilt as trustee and Messrs. Belli, Hunter, Morgan and Shemilt as beneficiaries, re: shares of John Belli Operations Limited.
- 2115. Photostatic copy of ledger sheets for current account Jaypen Holdings Limited, no. 560952 at the Canadian Imperial Bank of Commerce for the period May 31, 1960 to April 29, 1966.
- 2116. Photostatic copy of credit memos for Jaypen Holdings Limited for account no. 560952 at the Canadian Imperial Bank of Commerce for the period June 21, 1965 to October 7, 1965.
- 2117. Photostatic copy of client ledger card for account no. 15-0202-0 in name of Mr. Fred B. Adair Jr., c/o Manhattan Sound Corporation, covering period November 12, 1964 to July 12, 1965.

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- 2118. Photostatic copy of client ledger card for account no. 20-4552-400 in name of Mrs. Estelle Kapp covering period August 13, 1962 to November 6, 1964.
- 2119. Photostatic copy of client ledger card for account no. 255700-700 in name of Tarmac Trust, c/o E. D. Banking Company Limited, Nassau, Grand Bahamas, covering the period April 7, 1965 to July 9, 1965.
- 2120. Photostatic copy of client ledger card for account no. 18-7859-4 in name of R. A. Goodfellow, special account, being a joint account owned by R. A. Goodfellow and R. P. Barrett, covering the period June 29, 1962 to April 7, 1966.
- 2121. Folder marked "Commodore 1962" containing copies of correspondence, memoranda etc., re: Commodore Business Machines (Canada) Limited for the year 1962, from the office of Barrett, Goodfellow & Company Limited.
- 2122. Folder marked "Commodore 1963" containing copies of memoranda of communication, working papers, etc., re: Commodore Business Machines (Canada) Limited, from the office of Barrett, Goodfellow & Company Limited.
- 2123. Folder marked "Commodore 1964" containing copies of correspondence, memoranda, etc., re: Commodore Business Machines (Canada) Limited for the year 1964, from the office of Barrett, Goodfellow & Company Limited.
- 2124. Folder and contents marked "Commodore 1963—Bankgeschäft Marklin & Co. account no. 88-0006-2 Canadian", from the office of Barrett, Goodfellow & Company Limited.
- 2125. Folder and contents marked "Commodore 1963—Bankgeschäft Marklin & Co. account no. 88-005-4 U.S.", from the office of Barrett, Goodfellow & Company Limited.
- 2126. Folder marked "Commodore Stock Movements" containing working papers and memoranda re: stock movements of the Security of Commodore Business Machines (Canada) Limited, from the office of Barrett, Goodfellow & Company Limited.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2127.	Carton of 12 envelopes each containing monthly banking statements and debit memoranda for year 1965, covering all bank accounts (5 in number) of Commodore Business Machines (Canada) Limited: Bank of Nova Scotia, Pharmacy and Eglinton, general account, Canadian, General Account U.S.; Bank of Nova Scotia, Toronto Head Office, general account; Mercantile Bank of Canada, Toronto, general account Canadian and general account U.S.	2136.	Schedule prepared by Mr. Wolfman entitled "Commodore Business Machines (Canada) Limited, Financing of Debt and Equity Issues."
2128.	Binder being new general ledger transfer accounts and old general ledger of Commodore Business Machines (Canada) Limited.	2137.	Schedule prepared by Mr. Wolfman entitled "Commodore Sales Acceptance Limited, History of Operating Loans to Commodore Business Machines (Canada) Limited and Associated Companies from October 1961 to June 17, 1965."
2129.	General ledger of Commodore Business Machines (Canada) Limited pertaining to corporate accounts of the Company.	2138.	Schedule prepared by Mr. Wolfman entitled "Commodore Factors Limited, History of Operating Loans to Commodore Business Machines (Canada) Limited and Associated Companies from October 1961 to June 17, 1965."
2130.	Bundle of accounting records being cash disbursements records of Commodore Business Machines (Canada) Limited, January, 1959 to date.	2139.	Chart prepared by Mr. Wolfman entitled "Commodore Business Machines (Canada) Limited and its Affiliated Companies, Pattern of Borrowing from the Atlantic Group from October 1961 to June 17, 1965."
2131.	Bundle of accounting records being general journal of Commodore Business Machines (Canada) Limited, January, 1959 to date.	2140.	Schedule prepared by Mr. Wolfman entitled "British Mortgage & Trust Loans or Investments re: Purchase of Securities of Commodore Business Machines (Canada) Limited, July 1962 to May 31, 1965."
2132.	Affidavit of Supervisor of Statistics, Canadian Stock Exchange, to which are annexed as Exhibits a schedule of daily transactions of common stock, Commodore Business Machines (Canada) Limited, July 23, 1962 to March 31, 1966, and a schedule of daily transactions of warrants from February 8, 1963 to March 31, 1966.	2141.	Schedule prepared by Mr. Wolfman entitled "Commodore Business Machines (Canada) Limited, History of Common Stock Prices and Book Values."
2133.	Chart prepared by Mr. Wolfman entitled "Commodore Business Machines (Canada) Limited and Subsidiary Companies, Corporate Structure," prepared from an examination of books and records of the company.	2142.	Schedule prepared by Mr. Wolfman entitled "Commodore Business Machines (Canada) Limited, History of Common Share Transactions from Incorporation to Date of First Common Share Underwriting."
2134.	Consolidated financial statements and report to shareholders of Commodore Business Machines (Canada) Limited for period ending June 30, 1965, from records of the company.	2143.	Agreement between George Purvin and C. Powell Morgan, dated April 18, 1961 by which Mr. Purvin sells to Mr. Morgan 100 common shares of capital stock of Commodore Portable Typewriter Company Limited for sum of \$1.00.
2135.	Schedule prepared by Mr. Wolfman entitled "Commodore Business Machines (Canada) Limited, Condensed Consolidated Balance Sheets June 30, 1961 to 1965."	2144.	Letter of agreement dated October 9, 1961, addressed to Mr. G. Purvin from J. Tramiel, as President of Commodore Portable Typewriter Company Limited, setting out the following provisions; that Mr. Purvin will sell back to Commodore Portable Typewriter Company Limited 100 shares of capital stock of the company in return for cancellation of debt of \$25,000 owed to

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- the company by Mr. Purvin. Acceptance of this provision is acknowledged by Mr. Purvin at end of letter.
2145. Reporting letter to Commodore Portable Typewriter Company Limited, from Benjamin H. Oremland, dated October 20, 1961 re: closing of agreement between George Purvin and Commodore Portable Typewriter Company Limited.
- 1629.1 Letter dated January 18, 1962, from Don Mills signed by J. Tramiel and M. Kapp to Aurora Leasing Corporation Limited giving authority to Aurora to issue cheque to Commodore Portable Typewriter Company Limited in amount of \$100,000 to be charged to account of Don Mills.
2146. Carbon copy of letter dated April 25, 1962 with typewritten subscription C. Powell Morgan addressed to Messrs. Kapp and Tramiel acknowledging possession of certificates for shares of Commodore Business Machines (Canada) Limited, which shares are beneficially owned by M. Kapp, J. Tramiel, C. Powell Morgan, Mildred Morgan, Helen Tramiel and Benjamin Silverman.
2147. Photostatic copy of letter dated January 11, 1962, from Commodore Sales Acceptance Limited to Rose & Harrison, auditors for Commodore Portable Typewriter Company Limited confirming the balance of the special loan account as \$100,000.
2148. Cheque from Aurora Leasing Corporation Limited signed by H. Wagman to Commodore Portable Typewriter Company Limited in the amount of \$100,000 dated January 19, 1962.
2149. Cheque from Aurora Leasing Corporation Limited to Barrett, Goodfellow & Company in amount of \$601,178.60 dated June 29, 1962 re: purchase by Dallas Holdings Limited of Commodore Business Machines (Canada) Limited shares.
2150. Agreement dated June 14, 1962 between Mr. Streit and Mr. Morgan re: purchase of 70,000 common shares of Commodore Business Machines (Canada) Limited by Mr. Morgan from Mr. Streit for \$70,000.

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2151. Photostatic copy of promissory note, Don Mills to Aurora Leasing Corporation Limited dated June 20, 1962, in amount of \$94,500.
2152. Cheque dated June 20, 1962, Aurora Leasing Corporation Limited signed by W. L. Walton to Valley Farm and Enterprises Limited in amount of \$94,500.
- 880.1 Agreement, from a file of Solomon, Singer & Solway, dated blank day of June, 1962, between principal shareholders of Commodore Business Machines (Canada) Limited and Eastern Trust Company re: lodging of 90% of shares of Commodore Business Machines with Eastern Trust Company.
2153. Photostatic copy of letter dated June 12, 1962, Canadian Stock Exchange to Phillips, Bloomfield, Vineberg and Goodman, re: application for listing of 816,000 common shares Commodore Business Machines (Canada) Limited.
2154. Photocopy of letter dated July 26, 1962, Solomon, Singer & Rosen to Canadian Stock Exchange re: listing application of Commodore Business Machines (Canada) Limited of 816,000 common shares.
- 2121.1 List of 50 names and addresses from files of Barrett, Goodfellow & Company commencing W. L. Walton and ending Mrs. M. Spanton with the handwritten note "Commodore Business Machines 50 times 100".
- 2121.2 Carbon copy of letter from files of Barrett, Goodfellow & Company dated July 12, 1962, Barrett, Goodfellow & Company to Mr. Walton re: 5,000 shares of Commodore Business Machines (Canada) Limited.
2155. Photostatic copies of bundle of delivery slips of Barrett, Goodfellow & Company, dated August 30, 1962 for Commodore Business Machines (Canada) Limited shares signed as having been received by H. Wagman.
- 2121.3 Carbon copy of letter from files of Barrett, Goodfellow & Company dated July 9, 1962, Barrett, Goodfellow & Company to Eastern Trust Company, together with 8 schedules detailing requirements for registration of 300,000 Commodore Business Machines (Canada) Limited shares.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2121.4	Letter from file of Barrett, Goodfellow & Company dated June 28, 1962, Barrett, Goodfellow & Company to Mr. E. A. Jeffreys enclosing copy of prospectus of Commodore Business Machines (Canada) Limited dated May 31, 1962 and thanking Mr. Jeffreys for his order.	2158	Schedule prepared by Mr. Wolfman entitled "Commodore Business Machines (Canada) Limited Issue and Transfer of Common Shares from 'Public' Issue Date to Date of Listing Statement".
2121.5	Letter from file of Barrett, Goodfellow & Company, dated June 28, 1962, from Barrett, Goodfellow & Company to Mr. William Knowles enclosing copy of prospectus of Commodore Business Machines (Canada) Limited dated May 31, 1962 and thanking Mr. Knowles for his order.	2159.	Working papers from the files of Walton, Wagman & Co. headed "C. P. Morgan" at page No. 1 re: Shares of Commodore Business Machines (Canada), Limited.
2121.6	Envelope from file of Barrett, Goodfellow & Company, addressed to Mr. William Knowles, 9 Fairbourne Crescent, bearing "cancellation" stamp of June 28, 1962 marked "Unknown. Return to Sender".	2160.	Cheque dated August 15, 1962, from Commodore Sales Acceptance Limited to Pearlsound Distributors Limited in amount of \$28,000.
2156.	Bundle of 50 cancelled share certificates of Commodore Business Machines (Canada) Limited with powers of attorney attached.	2161.	Photostatic copy of a cheque dated August 15, 1962 from Pearlsound Distributors Limited to Don Mills in amount of \$26,480 endorsed by M. Kapp and deposited to the credit of Aurora Leasing Corporation Limited.
880.2.	Carbon copy of letter dated July 11, 1962, from Solomon, Singer & Rosen to Eastern Trust Company re: transfer of shares of Commodore Business Machines (Canada) Limited with attached list of transferees.	2162.	Photostatic copy of a cheque dated August 15, 1962 from Commodore Sales Acceptance Limited to Evermac Office Equipment Company Limited, in amount of \$53,000.
880.3	Carbon copy of letter dated July 13, 1962, Solomon, Singer & Rosen to Walton & Wagman re: Commodore Business Machines (Canada) Limited, reporting on transfer of 7,000 shares of company registered in name of William C. Streit with transferees listed.	2163.	Photostatic copy of a cheque dated August 15, 1962, from Evermac Office Equipment Company Limited to Don Mills, in amount of \$52,500, endorsed by M. Kapp and deposited to the credit of Aurora Leasing Corporation Limited.
880.4	Carbon copy of letter dated July 18, 1962, from Solomon, Singer & Rosen to Walton & Wagman re: Commodore Business Machines (Canada) Limited reporting on transfer of 1,000 shares in name of C. P. Morgan to transferees whose names were supplied by John Shemilt.	2164.	Photostatic copies of bundle of papers relating to joint account no. 2327 in names of Jack Tramiel and Manfred Kapp, Toronto-Dominion Bank, King & Bathurst Streets.
2157.	Photostatic copy of letter dated July 10, 1962, to Carl Solomon from J. R. Shemilt enclosing list of ten names for the Commodore Business Machines (Canada) Limited Listing.	2164.1	Photostatic copy of "cancelled" cheque dated January 29, 1963 drawn on account no. 2327 from M. Kapp to C. Powell Morgan in amount of \$8,097.60.
		858.1	Letter from files of Solomon, Singer & Rosen dated April 2, 1963, to Messrs. Solomon, Singer & Rosen from Eastern Trust Company re: release from escrow of 154,800 shares of Commodore Business Machines (Canada) Limited.
		858.2	Letter from files of Solomon, Singer & Rosen dated July 2, 1963, to Messrs. Solomon & Singer from the Eastern Trust Company re: release from escrow of 309,600 Shares of Commodore Business Machines (Canada) Limited.



<i>Exhibit No.</i>	<i>Description</i>
823.1	Letter from files of Solomon, Singer & Rosen dated February 13, 1964, to C. M. Solomon from Associated Canadian Holdings Limited giving authority for release of shares of Associated Canadian Holdings Limited to various people.
823.2	Letter from files of Solomon, Singer & Rosen dated February 27, 1964, to C. M. Solomon from Associated Canadian Holdings Limited enclosing amended list of shareholders of Associated Canadian Holdings Limited.
2165.	Books of account being one volume consisting of general ledger, stock ledger, journal of receipts, journal of disbursements, purchase journal and general journal of Associated Canadian Holdings Limited.
2166.	Handwritten memo headed "C.B.M." re: shares of Dale Estate and Associated Canadian Holdings Limited.
2167.	Cheque, dated July 10, 1963, from Associated Canadian Holdings Limited, to Guaranty Trust Company in amount of \$490,000 re: 100,000 shares of Commodore Business Machines (Canada) Limited.
2168.	Bank statement of account of Associated Canadian Holdings Limited with the Bank of Nova Scotia dated July 10, 1963 to July 18, 1963.
1639.1	Promissory note from the office of Walton, Wagman & Co. dated July 10, 1963 from Associated Canadian Holdings Limited signed by M. Kapp and H. Wagman to Aurora Leasing Corporation Limited in the amount of \$750,000.
1639.2	Promissory note from the office of Walton, Wagman & Co. dated June 28, 1963, from Associated Canadian Holdings Limited signed by J. Tramiel and M. Kapp to Aurora Leasing Corporation Limited in the amount of \$600,000.
2169.	Cheque from Commodore Business Machines (Canada) Limited to Five Wheels Limited in the amount of \$750,000.
2170.	Photocopy of ledger sheet 159 by Commodore Business Machines (Canada) Limited which records the investment on July 10, 1963 of

<i>Exhibit No.</i>	<i>Description</i>
	\$750,000 for 100,000 common shares of Five Wheels Limited.
2171.	Letter of agreement dated July 4, 1963, addressed to Mr. Morgan from Allan S. Manus re: purchase by Commodore Business Machines (Canada) Limited of 100,000 shares of Five Wheels Limited for \$750,000, endorsed by Mr. Morgan acknowledging provisions outlined in letter.
823.3	Put option contract dated July 16, 1963, re: purchase of 100,000 common shares of Five Wheels Limited by Associated Canadian Holdings Limited from Commodore Business Machines (Canada) Limited for \$750,000.
2172.	Deposit slip dated July 10, 1963 on Account of Associated Canadian Holdings Limited at the Bank of Nova Scotia, in amount of \$550,000.
2173.	Copy of letter dated November 30, 1963, from Five Wheels Limited, signed by A. Shelman and M. King to Grand Bahama Development Company Limited and/or The Grand Bahama Port Authority Limited, re: cost of dredging for marina site at Lucayan Beach.
2174.	Photocopy of cheque dated July 11, 1963, drawn on Guaranty Trust account no. 13324 signed by H. Wagman payable to Jacroy Canada Limited in amount of \$100,000.
1704.1	Promissory note dated July 11, 1963, payable to the order of H. Wagman in Trust \$100,000 signed Jacroy Canada Limited per L. D. Koryta, President.
2123.1	Copy of letter from files of Barrett, Goodfellow & Company dated March 28, 1963, to Investigations und Handels-Bank A.G., from Barrett, Goodfellow & Company, signed by A. A. Amos re: establishment of a Depositary Trust Account for deposit of 20,000 shares of Commodore Business Machines (Canada) Limited.
2123.2	Copy of handwritten memorandum April 10, 1963, to C. P. Morgan, from A. A. Amos, Barrett, Goodfellow & Company, enclosing copies of letters from Barrett, Goodfellow to Investigations und Handels-Bank A. G., and Bank Maerklin re: shares of Commodore Business Machines (Canada) Limited.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2123.3	Copy of telegram dated April 30, 1963, to Investitions und Handels-Bank A. G., from Barrett, Goodfellow & Company authorizing delivery of 10,000 shares of Commodore Business Machines (Canada) Limited to Bankhaus Maerklin & Company.	2123.7	Handwritten document from the office of Barrett, Goodfellow & Company dated November 25, 1964, signed by Ralph Carter re: sale of shares of Commodore Business Machines (Canada) Limited delivered to Germany.
2123.4	Copy of letter dated May 2, 1963 to Investitions und Handels-Bank A. G., confirming cable of instruction to deliver 10,000 shares of Commodore Business Machines (Canada) Limited to Bankhaus Maerklin & Company.	702.1	Schedule from file of Wagman, Fruitman & Lando entitled "Associated Canadians Holdings Limited, Schedule of Securities Held As At June 30, 1964".
2122.1	Copy of cable dated May 9, 1963, Barrett, Goodfellow & Company to Bankhaus Maerklin & Company concerning forwarding of 20,000 shares of Commodore Business Machines (Canada) Limited for deposit to account of Barrett, Goodfellow with Bankhaus Maerklin.	2175.	Handwritten schedule prepared by Mr. Wolfman entitled "Commodore Business Machines (Canada) Limited, Stock Exchange Trading in Common Stock by 'Insiders'".
2122.2	Copy of letter dated May 10, 1963, confirming cable, Exhibit 2122.1 re: 20,000 shares of Commodore Business Machines (Canada) Limited.	2176.	Copy of Annett Partners Limited brokerage account no. 40-6104-0, in name of Mr. Alan Christie, for the period December 13, 1961 to September 29, 1965.
2122.3	Copy of letter dated May 22, 1963, Barrett, Goodfellow & Company to Bankhaus Maerklin & Company confirming cable of May 22, 1963 re: forwarding of 20,000 shares of Commodore Business Machines (Canada) Limited for deposit to account of Barrett, Goodfellow with Bankhaus Maerklin.	2177.	Copy of Annett Partners Limited brokerage account no. 40-6213-9, in name of Mrs. Kathleen Christie for the period November 21, 1960 to October 4, 1965.
2122.4	Copy of letter dated June 24, 1963, from Barrett, Goodfellow & Company to Bankhaus Maerklin & Company re: 20,000 shares of Commodore Business Machines (Canada) Limited.	2178.	Copy of Goulding, Rose & Turner Limited brokerage account in name of Mr. J. A. Medland for the period August 15, 1955 to August 5, 1965.
2123.5	Handwritten schedule from office of Barrett, Goodfellow & Company entitled "Commodore Certificates shipped to Germany", re: 80,000 shares of Commodore Business Machines (Canada) Limited.	2179.	Letter dated December 3, 1965 from Moss, Lawson & Co. Limited to J. Aubrey Medland with attached analysis prepared by Moss, Lawson of transactions in Commodore Business Machines and Atlantic Acceptance Corporation stock for period December 22, 1960 to December 7, 1965 for account of Mr. Medland.
2123.6	Handwritten summary schedule from office of Barrett, Goodfellow & Company of dealings in shares of Commodore Business Machines (Canada) Limited entitled "88-0005-4 Bankhaus Maerklin & Company".	2180.	Photostatic copy of Barclay and Crawford brokerage account no. 18-6489-1 in name of Mr. Manfred Kapp for period November 26, 1964 to March 31, 1966.
		2181.	Copy of Annett Partners Limited brokerage account no. 41-4388-9 in the name of Mr. Wilfrid P. Gregory, Q.C., for period August 1, 1962 to June 3, 1965.
		2182.	Schedule prepared by Mr. Wolfman entitled "Commodore Business Machines (Canada) Limited, Trading in Common Shares" covering period July 1962 to June 1965.

<i>Exhibit No.</i>	<i>Description</i>
2183.	Schedule prepared by Mr. Wolfman entitled "Commodore Business Machines (Canada) Limited, Examples of Insiders' Apparent 'Cross Trades'".
2184.	Letter dated July 25, 1963 from Barrett, Goodfellow & Company to C. Powell Morgan re: transfer of 10,000 shares of Commodore Business Machines (Canada) Limited to Mr. Morgan's account for sum of \$44,125.
823.4	Copy of unsigned agreement from file of Solomon & Singer, dated July 1, 1963, between Associated Canadian Holdings Limited and the Kapps, Tramiels, Silbermans, Morgans and H. Wagman as shareholders of Associated Canadian Holdings giving the shareholders the right to purchase shares of Commodore Business Machines owned by Associated Canadian Holdings for \$3.50 per share.
2185.	Schedule prepared by Mr. Wolfman entitled "Associated Canadian Holdings Limited, Summary of Dealings in Commodore Business Machines Common Shares".
2186.	Photostatic copy of letter dated November 20, 1964, from Associated Canadian Holdings Limited per H. Wagman to Barrett, Goodfellow & Company giving authority to transfer 40,000 shares of Commodore Business Machines (Canada) Limited to the account of C. Powell Morgan.
2187.	Photostatic copies of bundle of bulletins in French re: Commodore Business Machines (Canada) Limited, issued by International Financial Advisory Service of Luxembourg, obtained from The Ontario Securities Commission.
2188.	English translation of Exhibit 2187 made by Department of the Provincial Secretary and Citizenship.
2189.	Commodore Business Machines (Canada) Limited report to shareholders for the six months ended December 31, 1964.
2190.	Schedule prepared by Mr. Wolfman entitled "Commodore Business Machines (Canada) Limited and Subsidiaries, Analysis of Consolidated Loss by Subsidiary Companies for the year ended June 30, 1965".

<i>Exhibit No.</i>	<i>Description</i>
2191.	Schedule prepared by Mr. Wolfman entitled "C. P. Morgan and Mildred Morgan, Summary of Dealings in Commodore Business Machines Shares (including W. Streit Shares)", from the original acquisition in 1961 until the end of June, 1965.
2192.	Schedule prepared by Mr. Wolfman entitled "N.G.K. Investments Limited, Summary of Dealings in Commodore Business Machines Common Shares", from June 27, 1963 to June, 1965.
2193.	Schedule prepared by Mr. Wolfman entitled "Dallas Holdings Limited, Summary of Dealings in Commodore Business Machines Common Shares", from June 30, 1962 to June, 1965.
2194.	Schedule prepared by Mr. Wolfman entitled "Trans Commercial Acceptance Limited, Summary of Dealings in Commodore Business Machines Common Shares", for July, 1964 to May 31, 1965.
2195.	Schedule prepared by Mr. Wolfman entitled "Hugo Oppenheimbank (Canada) Limited, Summary of Dealings in Commodore Business Machines Common Shares", from December 1964 to June 1965.
2196.	Schedule prepared by Mr. Wolfman entitled "Hugo Oppenheim & Sohn Berlin, Summary of Dealings in Commodore Business Machines Common Shares", from December 1964 to July 1, 1965.
2197.	Schedule prepared by Mr. Wolfman entitled "Valley Farm & Enterprises Limited, Summary of Dealings in Commodore Business Machines Common Shares", from June 1962 to July 1963.
2198.	Schedule prepared by Mr. Wolfman entitled "Jack and Helen Tramiel, Summary of Transactions in Commodore Business Machines Common Shares", from November 1958 to September 1965.
2199.	Schedule prepared by Mr. Wolfman entitled "Evermac Office Equipment Company Limited, Summary of Dealings in Commodore Business Machines Common Shares", from July 1962 to June 1965.
2200.	Schedule prepared by Mr. Wolfman entitled "Mr. J. A. Medland and Family, Summary of Dealings in Commodore Business Machines Common Shares", from 1961 to 1965.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2201.	Schedule prepared by Mr. Wolfman entitled "Manfred and Estelle Kapp, Summary of Dealings in Commodore Business Machines Shares", from November 1958 to April, 1965.		promissory note from Lambert Management Corporation to Aurora Leasing in amount of \$300,000 and Commodore Business Machines share purchase warrants to be held as collateral.
2202.	Schedule prepared by Mr. Wolfman entitled "Benjamin and Regina Silberman, Summary of Dealings in Commodore Business Machines Common Shares", from November 1958 to July 1963.	2209.	Photostatic copy of bank statement for the Account of Commodore Business Machines (Canada) Limited at the Bank of Nova Scotia for the month of November, 1962, with photostatic copy of debit slip dated November 30, 1962, attached.
2203.	Schedule prepared by Mr. Wolfman entitled "Carman G. King, Summary of Dealings in Commodore Business Machines Common Shares", from November 1958 to October 1965.	1761.1	Letter from office of Walton, Wagon & Co. dated January 2, 1963, from Annett & Company Limited, to Mr. C. Powell Morgan, President, Atlantic Acceptance Corporation Limited, re: legal bill from McCarthy & McCarthy for Commodore Business Machines (Canada) Limited, underwriting.
2204.	Schedule prepared by Mr. Wolfman showing list of directors of Commodore Business Machines (Canada) Limited from incorporation to June 1965, with dates of election and resignation.	2210.	Photostatic copy of letter dated May 13, 1963 from Solomon, Singer & Rosen signed by Irwin Singer to British Mortgage & Trust Company acknowledging receipt of \$500,000 cheque made payable to Commodore Business Machines (Canada) Limited.
2205.	Schedule prepared by Mr. Wolfman showing list of directors of Evermac Office Equipment Company Limited from October 1955 to July 1965 with dates of election and resignation.	2211.	Cheque dated June 1, 1964, in the amount of \$82,000 payable to the American Express Company Inc. by Jack Tramiel.
2206.	Schedule prepared by Mr. Wolfman showing list of directors of Baronet Associates Inc. from February 1964 to July 1965 with dates of election and resignation.	2212.	Cheque dated June 26, 1964, in the amount of \$14,116.33 payable to Commodore Business Machines (Canada) Limited by Jack Tramiel.
2207.	Schedule prepared by Mr. Wolfman showing list of directors of Trans Commercial Acceptance Company Limited from December 1963 to July 1965 with dates of election and resignation.	2213.	Photostatic copy of memorandum dated December 29, 1964, from files of Solomon & Singer, headed "Memo for File" re: sale of preferred shares and subordinated notes of Commodore Business Machines (Canada) Limited.
2208.	Schedule prepared by Mr. Wolfman entitled "Commodore Business Machines (Canada) Limited, Series A Debenture Issue Underwritten by Annett & Company Limited".	2214.	Photostatic copy of reporting letter dated January 13, 1965, from Solomon & Singer to Hugo Oppenheim U. Sohn Nachf re: transactions with Trans Commercial Acceptance Limited in shares of Commodore Business Machines (Canada) Limited.
1660.1	Letter from office of Walton, Wagon & Co., dated December 5, 1962, from Chisholm & Co., 2 Wall Street, New York 5, to Aurora Leasing Corporation Limited, re: loan to Chisholm & Co. of \$300,000 by Aurora Leasing secured by \$300,000 face value of common Commodore Business Machines debentures.	2215.	Reporting letter dated January 14, 1965, from Solomon & Singer to Trans Commercial Acceptance Limited re: transactions with Hugo Oppenheim U. Sohn Nachf in shares of Commodore Business Machines (Canada) Limited with attached documents in German.
1660.2	Letter from office of Walton, Wagon & Co., dated December 10, 1962 from Lambert Management Corporation to Aurora Leasing Corporation Limited, enclosing		



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2216. Photostatic copy of agreement dated December 1, 1964, headed "Put Option Contract" between Trans Commercial Acceptance Limited and Hugo Oppenheim und Sohn Nachf, Berliner, Privatbank A.G., by which Trans Commercial Acceptance agrees to buy 6¾ % Subordinated Notes up to \$1,000,000 and 100,000 Preference Shares of Commodore Business Machines (Canada) Limited from Hugo Oppenheim und Sohn Nachf.
2217. Cheque dated December 29, 1964, from Trans Commercial Acceptance Limited to Hugo Oppenheim und Sohn Nachf, Berliner, Privatbank A.G. in the amount of \$2,000,000.
2218. Photostatic copy of bank statement for account of Trans Commercial Acceptance Limited at the Bank of Nova Scotia, for the month of December, 1964.
2219. Photostatic copy of cheque in the amount of \$500,000 dated December 29, 1964, from Commodore Sales Acceptance Limited, to Trans Commercial Acceptance Limited.
2220. Cheque in the amount of \$40,000, dated July 27, 1964, signed by H. Wagman and Jack Tramiel for Associated Canadian Holdings Limited to Trans Commercial Acceptance Limited.
2221. Cheque in the amount of \$25,000 dated August 5, 1964, signed by Jack Tramiel and M. Kapp for Associated Canadian Holdings Limited to Trans Commercial Acceptance Limited.
2222. Cheque in the amount of \$50,000.00 dated August 5, 1964, signed by Jack Tramiel and M. Kapp for Associated Canadian Holdings Limited to Trans Commercial Acceptance Limited.
2223. Photostatic copy of document from a file of Barrett, Goodfellow & Company dated August 6, 1964, outlining receipt and delivery of 22,700 shares of Commodore Business Machines (Canada) Limited to the Mercantile Bank in payment of \$99,880.
2224. Agreement dated August 6, 1964, between Jack Tramiel and Associated Canadian Holdings Limited re: loan from Trans Commercial

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- Acceptance Limited and Mercantile Bank of Canada to J. Tramiel as trustee for Associated Canadian Holdings.
2225. Cheque in the amount of \$17,500 dated February 16, 1965 signed by M. Kapp and H. Wagman for Associated Canadian Holdings Limited to the Mercantile Bank of Canada.
2226. Cheque in the amount of \$33,040.70 dated April 1, 1965, signed by M. Kapp and H. Wagman for Associated Canadian Holdings Limited to J. Tramiel.
2227. Photostatic copy of loan card of Mercantile Bank of Canada re: demand loan of \$50,000 to Jack Tramiel.
2228. Photostatic copy of letter dated February 7, 1964, from Messrs. Solomon & Singer, to M. Kapp, c/o Commodore Business Machines (Canada) Limited, re: incorporation of Trans Commercial Acceptance Limited.
2229. Financing agreement re: inventory loans dated June 11, 1964, between Commodore Business Machines (Canada) Limited and Trans Commercial Acceptance Corporation Limited, signed for Commodore Business Machines by M. Kapp as Secretary-Treasurer and for Trans Commercial Acceptance by M. Kapp as Secretary-Treasurer.
2230. Financing agreement re: inventory loans dated June 11, 1964, between Commodore Drycopy Limited and Trans Commercial Acceptance Corporation Limited signed by M. Kapp on behalf of both parties.
2231. Financing agreement re: inventory loans dated June 11, 1964, between Evermac Office Equipment Company Limited and Trans Commercial Acceptance Corporation Limited signed by M. Kapp for both parties.
2232. Photostatic copies of four invoices re: interest charges, dated December 31, 1963 from Commodore Sales Acceptance Limited to Commodore Business Machines (Canada) Limited, Evermac Office Equipment Company Limited, Humber Typewriter Company Limited and Commodore Drycopy Limited.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2233.	Photostatic copy of invoice re: interest charge, dated January 31, 1964 from Commodore Sales Acceptance Limited to Trans Commercial Acceptance Limited.	2244.	Photostatic copy of bank statement of Bank of Nova Scotia account of Commodore Business Machines (Canada) Limited, with copies of two cheques dated December 29, 1964, attached, from Commodore Business Machines (Canada) Limited to Commodore Factors Limited in amount of \$1,120,000, and to Trans Commercial Acceptance Limited in amount of \$805,000.
2234.	Photostatic copies of four invoices re: interest charges, dated January 31, 1964 from Trans Commercial Acceptance Limited to Commodore Business Machines (Canada) Limited, Commodore Drycopy Limited, Humber Typewriters & Business Equipment, and Evermac Office Equipment Company Limited.	2245.	Letter dated April 29, 1963, from Pearlsound Distributors Limited signed F. S. Draper, to Evermac Office Equipment Company Limited re: sale of Humber Typewriters & Business Equipment Limited to Evermac Office Equipment effective January 16, 1963 for sum of \$111,600.
2235.	Letter dated October 23, 1964 from Benjamin H. Oremland to Jack Tramiel and Manfred Kapp re: incorporation of Baronet Associates Inc.	2246.	Photostatic copy of cheque in amount of \$52,024.73 dated April 25, 1963, from Evermac Office Equipment Company Limited to Pearlsound Distributors Limited.
2236.	Photostatic copy of financing agreement dated June 4, 1964 between Commodore Factors Limited and Baronet Associates Inc.	2247.	Bank statement of Toronto-Dominion Bank for account of Evermac Office Equipment Company Limited for month of April, 1963.
2237.	Photostatic copy of nine invoices re: interest charges dated June 30, 1964, from Commodore Factors Limited, five charged to Commodore Business Machines Inc., one each to Commodore Drycopy Inc., and A.C.E. Business Machines and two to Jay-Man Distributing Company.	2248.	Photostatic copy of client's ledger sheet of Borden, Elliot, Kelley and Palmer for account marked "re: Guaranty Trust, re: Shemilt" for period October 19, 1963 to March 3, 1965.
2238.	Photostatic copies of two invoices re: interest charges dated July 31, 1964, from Commodore Factors Limited to Baronet Associates Inc.	2156.1	Common stock share certificate no. 0265 for 100 common shares of Commodore Business Machines (Canada) Limited in the name of H. J. Spanton with attached assignment for transfer power of attorney purportedly signed by H. J. Spanton.
2239.	Photostatic copies of six invoices re: interest charges dated July 31, 1964, from Baronet Associates Inc., two charged to Analogue Controls Inc., and one each to Commodore Business Machines Inc., Commodore Drycopy Inc., Jay-Man Distributors Inc. and A.C.E. Business Machines Inc.	2156.2	Common stock share certificate no. 0266 for 100 common shares, Commodore Business Machines (Canada) Limited in the name of Mrs. M. Spanton, with attached assignment for transfer power of Attorney purportedly signed by Mrs. M. Spanton.
2240.	General ledger of Trans Commercial Acceptance Limited.	2249.	Specimen signatures of Mrs. M. Spanton.
2241.	Books of original entry of Trans Commercial Acceptance Limited.	2156.3	Common stock share certificate no. 0253 for 100 common shares Commodore Business Machines (Canada) Limited in name of E. A. Jeffreys with attached assignment
2242.	General ledger and books of original entry of Baronet Associates Inc.		
2243.	General ledger and books of original entry of Evermac Office Equipment Company Limited.		

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- for transfer power of attorney purportedly signed by E. A. Jeffreys.
- 2156.4 Common stock share certificate no. 256 for 100 common shares Commodore Business Machines (Canada) Limited, in name of William Knowles with attached assignment for transfer power of attorney purportedly signed by W. M. Knowles.
2250. Photostatic copy of savings ledger cards of Guaranty Trust Company for account no. 12852 in name of John R. Shemilt for the period December 14, 1961, to November 11, 1963.
2251. Three deposit slips; two for June 1 and one for June 4, 1962 for account no. 12852 in name of John R. Shemilt at Guaranty Trust Company.
2252. Two receipts for statements of account no. 12852 at Guaranty Trust Company for months of June 1962 and May 31, 1962 signed by John R. Shemilt.
2253. Photostatic copy of deposit slip dated July 3, 1962 for account no. 12852 in name of John R. Shemilt at Guaranty Trust Company.
2254. Photostatic copy of an hypothecation form dated July 17, 1962, addressed to the Guaranty Trust Company of Canada at Toronto and signed by John R. Shemilt.
2255. Photostatic copy of ledger card in the name of John R. Shemilt, investment account with Guaranty Trust Company, from July 24, 1962 to October 15, 1963.
2256. Photostatic copy of ledger card in the name of John R. Shemilt, investment account, with Guaranty Trust Company from November 12, 1963 to November 24, 1965.
2257. Document setting out the rules presently in existence respecting listings on the Canadian Stock Exchange.
2258. Photostatic copy of letter dated May 25, 1962, to Canadian Stock Exchange from Phillips, Bloomfield, Vineberg & Goodman enclosing listing application on behalf of Commodore Business Machines (Canada) Limited.

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2259. Photostatic copy of uncompleted application form signed by J. Tramiel and M. Kapp which was enclosed in letter from Phillips, Bloomfield, Vineberg & Goodman (Exhibit 2258).
2260. Copy of a letter dated June 12, 1962 from Canadian Stock Exchange to Phillips, Bloomfield, Vineberg & Goodman confirming acceptance of listing application of Commodore Business Machines (Canada) Limited subject to filing of a completed listing application and proof of satisfactory distribution.
2261. Photostatic copy of letter dated July 13, 1962, to the Canadian Stock Exchange from Solomon, Singer & Rosen enclosing completed listing application of Commodore Business Machines (Canada) Limited.
2262. Photostatic copy of memorandum dated July 17, 1962 of Canadian Stock Exchange re: decision of listing committee on application of Commodore Business Machines (Canada) Limited.
2263. Photostatic copy of letter dated July 20, 1962 from Canadian Stock Exchange to Phillips, Bloomfield, Vineberg & Goodman asking for 250 copies of prospectus of Commodore Business Machines (Canada) Limited, names of five largest shareholders and percentage of shares of company in the hands of the public.
2264. Photostatic copy of letter dated July 26, 1962, from Solomon, Singer & Rosen, signed by I. Singer to the Canadian Stock Exchange giving information requested in Exhibit 2263 re: Commodore Business Machines (Canada) Limited.
2265. Photostatic copy of Ontario Securities Commission card record file of Mr. Kaftel.
2266. Folder labelled "John Rodkin, Account No. 390" containing documents with reference to a loan by Atlantic Acceptance Corporation Limited to John Rodkin.
2267. Certified copy of title from the Land Titles Office, Toronto, dated May 18, 1966, Lot 391-1, on Plan M 866 North York.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2268.	Photostatic copy of ledger card from December 4, 1964 to June 30, 1964 of J. R. Shemilt with Netherland Overseas Corporation Canada Limited.	2271.	Sales, purchases, and cash journal of Bond and Cosman Limited, from the Clarkson Company Limited.
2269.	Schedule prepared by Mr. McLoughlin of an Atlantic Acceptance Corporation Limited Loan to John A. Rodkin in April, 1963 in amount of \$30,000.	2272.	General ledger of Trans Canada Millinery Sales Limited, from the Clarkson Company Limited.
2266.1	Atlantic Acceptance Corporation loan ledger card, relating to the history of payments from loan of \$30,000 to John A. Rodkin, to pay off existing creditors of Ar-Jay Advertising Agency Limited.	2273.	Bundle of sheets comprising general ledger of Mart Utilities Limited, from the Clarkson Company Limited.
2266.2	Registered letter marked "Personal and Confidential", dated April 6, 1964 to Mr. Morgan from John A. Rodkin asking Mr. Morgan to suspend until further notice depositing monthly cheques held by Atlantic Acceptance Corporation re: \$30,000 loan.	2274.	Cash book of Mart Utilities Limited, from the Clarkson Company Limited.
2266.3	Auditors report to shareholders of Ar-Jay Advertising Agency Limited dated January 31, 1963 from Peat, Marwick, Mitchell and Company, Chartered Accountants, with balance sheet, statement of profit and loss and deficit and note to financial statements at year ended November 30, 1962.	2275.	Cash book and sales journal of Highlight Distributors Limited, from the Clarkson Company Limited.
2266.4	Financial statement of Ar-Jay Advertising Agency Limited prepared by Peat, Marwick and Mitchell, for the year ended November 30, 1963.	2276.	Sales analysis of Highlight Distributors Limited, from the Clarkson Company Limited.
2266.5	Internal financial statement of Ar-Jay Advertising Agency Limited dated May 29, 1964.	2277.	Accounts receivable book of Highlight Distributors Limited, from the Clarkson Company Limited.
2266.6	Life insurance policy with the Northern Life Assurance Company, insured John Alexander Rodkin, beneficiary, Ar-Jay Advertising Agency Limited.	2278.	Accounts payable book, A to K inclusive, of Highlight Distributors Limited, from the Clarkson Company Limited.
2266.7	Bundle of promissory notes to Atlantic Acceptance Corporation Limited signed by John A. Rodkin in his personal capacity.	2279.	Accounts payable book, L to Z, of Highlight Distributors Limited, from the Clarkson Company Limited.
2266.8	Atlantic Acceptance Corporation Limited request for write-off voucher dated February 17, 1965 on loan of \$30,000 to John Rodkin.	2280.	General ledger of Highlight Distributors Limited from the Clarkson Company Limited.
2270.	General ledger of Bond and Cosman Limited, from the Clarkson Company Limited.	2281.	Accounts receivable book of Ingram and Roberts from the Clarkson Company Limited.
		2282.	Cash book, general ledger and accounts payable of Mart Buying Services Limited, from the Clarkson Company Limited.
		2283.	Accounts receivable book of Mart Buying Services Limited, from the Clarkson Company Limited.
		2284.	Sales journal of Mart Buying Services Limited from the Clarkson Company Limited.
		2285.	General ledger cash and purchases records of Little Scot Stores, from the Clarkson Company Limited.
		2286.	Seven volumes of inventory records of Little Scot Stores, from the Clarkson Company Limited.



<i>Exhibit No.</i>	<i>Description</i>
2287.	Schedule prepared by Mr. Avery entitled "Summary of Advances from Commodore Sales Acceptance Limited to Groship Companies, December 4, 1961 - June 14, 1965".
2288.	Schedule prepared by Mr. Avery entitled "Disposition of Initial Advances to the Little Scot Stores".
2289.	Schedule prepared by Mr. Avery entitled "Initial Transfers of Inventory from the Bond & Cosman Companies to the Little Scot Companies as Security for Advances by Commodore Sales Acceptance Limited".
2290.	Schedule prepared by Mr. Avery entitled "Security for Loans from Commodore Sales Acceptance Limited" re: Bond & Cosman Companies and Little Scot Companies.
2291.	Photostatic copy of financial statement, being auditor's report of Walton, Wagman & Company, balance sheet and statement of operations, for Trans Canada Millinery Sales Limited for period ending July 31, 1963.
2292.	Photostatic copy of combined debenture from files of Commodore Sales Acceptance Limited dated February 23, 1962 from Bond & Cosman Limited and guarantee from Gerald Groship to Commodore Sales Acceptance Limited for \$500,000.
2293.	From files of Commodore Sales Acceptance Limited photostatic copy of promissory note dated December 23, 1964 from Premiumwares Limited to Commodore Sales Acceptance Limited for \$170,000 re: Bond & Cosman loan from Commodore Sales Acceptance.
2294.	From files of Commodore Sales Acceptance Limited, photostatic copy of combined debenture dated December 20, 1961 from Trans Canada Millinery Sales Limited and guarantee by Mr. G. Groship to Commodore Sales Acceptance Limited for \$275,000.
2295.	From files of Commodore Sales Acceptance Limited, photostatic copy of combined debenture dated February 22, 1965 from Highlight Distributors Limited and guarantee by Mr. G. Groship to Commodore Sales Acceptance Limited for \$250,000.

<i>Exhibit No.</i>	<i>Description</i>
1158.1	From file of Mr. D. Samuel, undated debenture from Preston Lake Discount Stores Limited to Commodore Sales Acceptance Limited for \$200,000.
1159.1	From file of Mr. D. Samuel, debenture, undated, from Province-Wide Stores Limited to Commodore Sales Acceptance Limited for \$200,000.
2296.	From files of Commodore Sales Acceptance Limited, photostatic copy of guarantee dated 8 June, 1964 from Mr. G. Groship to Commodore Sales Acceptance Limited for \$200,000 re: loan of \$200,000 to Province-Wide Stores Limited.
1166.1	From file of Mr. D. Samuel, debenture dated 21 May, 1964 from Celtic Discount Stores Limited to Commodore Sales Acceptance Limited for \$200,000.
2297.	From file of Commodore Sales Acceptance Limited, photostatic copy of guarantee dated 8 June, 1964 from Mr. G. Groship to Commodore Sales Acceptance Limited re: loan of \$200,000 to Celtic Discount Stores Limited.
1169.1	From file of Mr. D. Samuel, debenture dated May 21, 1964 from Jumbo Discount Sales Limited to Commodore Sales Acceptance Limited for \$200,000.
2298.	From files of Commodore Sales Acceptance Limited, photostatic copy of guarantee dated June 8, 1964 from Mr. G. Groship to Commodore Sales Acceptance Limited re: loan of \$200,000 to Jumbo Discount Sales Limited.
1164.1	From file of Mr. D. Samuel, debenture dated May 21, 1964 from Saxon Discount Stores Limited to Commodore Sales Acceptance for \$200,000.
2299.	From files of Commodore Sales Acceptance Limited, photostatic copy of guarantee dated June 8, 1964 from Mr. G. Groship to Commodore Sales Acceptance Limited re: loan of \$200,000 to Saxon Discount Stores Limited.
1151.1	From file of Mr. D. Samuel, debenture dated May 21, 1964 from Anglo Discount Sales Limited to Commodore Sales Acceptance Limited for \$200,000.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2300.	From files of Commodore Sales Acceptance Limited, photostatic copy of guarantee, dated June 8, 1964 from Mr. G. Groship to Commodore Sales Acceptance re: loan of \$200,000 to Anglo Discount Sales Limited.	2311.	Prospectus of General Spray Service Inc. dated September 19, 1961, obtained from the offices of Annett & Company, relating to a public issue of shares of this company.
1170.1	From file of Mr. D. Samuel, debenture dated December 28, 1964 from Golburn Discount Sales Limited to Commodore Sales Acceptance Limited for \$200,000.	2312.	Schedule prepared by Mr. Ross entitled "General Spray Service Inc., Schedule of Shareholders as at April 26, 1956, October 9, 1961, February 21, 1963, April 3, 1963 and May 31, 1965".
1165.1	From file of Mr. D. Samuel, debenture dated February 24, 1965 from Spadina Discount Stores Limited to Commodore Sales Acceptance Limited for \$200,000.	2313.	Photostatic copy of instrument of proxy dated February 21, 1963, signed by Mr. F. H. Hoge, Junior appointing C. P. Morgan, C. G. King and F. R. Brown as Hoge's attorney to vote all his shares of General Spray Service Incorporated until loan by Aurora Leasing Corporation Limited to Hoge has been repaid.
2301.	Minute book of Sprayfoil Corporation, from the Ontario Securities Commission.	2314.	Photostatic copy of a letter dated February 21, 1963, from Mr. F. H. Hoge, Jr. to General Spray Service Inc., notifying General Spray Service that \$75,000 received by General Spray from Aurora Leasing should be considered as donated capital from Hoge from proceeds of Hoge's loan from Aurora Leasing.
2302.	File and contents therein marked "Commodore Sales Acceptance Limited Loan to General Spray Service and American Automation (Halliday) Fuels, No. 2219", from the office of Solomon & Singer.	2315.	Photostatic copy of letter dated April 3, 1963 from Mr. F. H. Hoge, Jr., to General Spray Service Inc. re: need for additional permanent capital or long term financing and conversion of Hoge's shareholdings in the Company.
2303.	General ledger, Volume 1 of Commodore Factors Limited.	2316.	Photostatic copy of revised proxy for shares of General Spray Service Inc. in favour of Messrs. Morgan, King and Brown dated April 3, 1963.
2304.	General ledger, Volume 2 of Commodore Factors Limited.	2317.	Photostatic copies of three share certificates of General Spray Service Inc.: certificate no. B1 for 100,000 shares of class "B" stock, certificate no. B2 for 100,000 shares of class "B" stock and certificate no. B4 for 30,000 shares of class "B" stock all in name of Francis H. Hoge Jr. and all with attached assignments in blank, executed February 21, 1963 by Francis H. Hoge.
2305.	Volume 1 of the books of original entry of Commodore Factors Limited.	2318.	Schedule prepared by Mr. Ross entitled "General Spray Service Inc., Schedule of 7% Convertible Debentures Payable Due September 30, 1962".
2306.	Volume 2 of the books of original entry of commodore Factors Limited.		
2307.	Volume 2 of the general ledger of Commodore Sales Acceptance Limited.		
2308.	Volume 2 of the books of original entry of Commodore Sales Acceptance Limited.		
2309.	Schedule prepared by Mr. Ross entitled "General Spray Service Inc. and Related Companies, Summary of Loans Payable to Atlantic Group as at Approximate Dates Major New Loans Ceased to be Made as of Dates Falling Between May 31, 1965 and July 12, 1965 per Records of Commodore Factors Limited, and Commodore Sales Acceptance Limited."		
2310.	Photostatic copy of the minute book of General Spray Service Inc. made by Mr. Ross from original in office of Mr. B. Oremland, Attorney, New York City.		

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2319.	From office of Mr. Oremland, photostatic copy of letter dated October 31, 1962, Annett & Company Limited, signed by Carman G. King, Vice-President to Mr. Francis H. Hoge, President General Spray Service Inc. re: proposed issue of 7% convertible debentures.		Co., dated December 9, 1963, obtained from Mr. Martin J. Caine, Attorney, New York.
2320.	Copy of document of two sections found in the files of Commodore Factors Limited, first section entitled "Schedule B, Claims Filed and Allowed" and section entitled "Schedule C, Claims Schedules and not Filed" from a plan of arrangement under Chapter XI of the National Bankruptcy Act between General Spray Service Inc. and certain of its creditors effected as of March 19, 1964.	2326.	Photostatic copy of tentative trial balance of December 31, 1964 of the general ledger of General Spray Service Inc. taken as at June 7, 1964, obtained from office of A. Jesse Goldstein & Co.
993.1	Photostatic copy of letter dated July 15, 1965 from Solomon, Singer & Solway to General Lawn Spray Limited re: General Lawn Spray Limited sale of shares, sale of share purchase warrants, sale of 7% subordinated convertible notes, right offering and General Corporate Services.	2327.	Schedule prepared by J. N. Ross entitled "General Spray Service Inc., Summary of Financial Position per Available Financial Statements and Trial Balance as at December 31, 1962, October 8, 1963 and December 31, 1964."
2321.	Schedule prepared by John Nicholas Ross from records of Commodore Factors Limited entitled "General Spray Service Inc. Contingent Liability to Commodore Factors Limited on Truck-Lease Purchase Agreements, for the period March 13, 1962 to May 31, 1965."	2328.	Schedule prepared by Mr. Ross entitled "General Spray Service Inc., Schedule of Operating Results per Available Financial Statements and Trial Balance for year ended December 31, 1962, for period January 1, 1962 to October 8, 1963 and for year ended December 31, 1964".
2322.	Schedule, prepared by Mr. Ross entitled "General Spray Service Inc., Summary of Other Loans from Commodore Factors Limited per records of Commodore Factors Limited, from February 22, 1962, to May 31, 1965".	2329.	Photostatic copy of the minute book of Turf Kings Inc. made by Mr. Ross, from original in office of Mr. B. Oremland, Attorney, New York.
2323.	Photostatic copy of tentative financial statement of General Spray Service Inc., as at December 31, 1962 prepared by Eric Pusinelli and Company dated May 8, 1963, obtained from the office of A. Jesse Goldstein & Co., Accountants, New York.	2330.	Share certificate no. 1 for three shares of Turf Kings Inc. in name of General Spray Service Inc. dated April 16, 1964 with assignment attached in favour of Commodore Factors Limited as of the same date.
2324.	Carbon copy of interim financial statement of operations of General Spray Service Inc. as at June 30, 1963, prepared without audit by Messrs. Walton, Wagman & Company, dated October 2, 1963.	2331.	Schedule prepared by Mr. Ross entitled "Turf Kings Inc., Schedule of Loans from Commodore Factors Limited per Records of Commodore Factors Limited from March 5, 1964, to May 31, 1965."
2325.	Copy of report as of October 8, 1963 of General Spray Service Inc. prepared by A. Jesse Goldstein &	2332.	Photostatic copy of tentative trial balance of General Ledger of Turf Kings Inc. and Turf Kings Leasing Inc. as at December 31, 1964, obtained from the office of A. Jesse Goldstein, New York.
		2333.	Photostatic copy of tentative trial balance of General ledger of Turf Kings Inc. and Turf Kings Leasing Inc. as at May 31, 1965 headed "T.K.," obtained from the office of A. Jesse Goldstein, New York.
		2334.	Schedule prepared by Mr. Ross entitled "Turf Kings Inc., summary of operating results from incorporation February 21, 1964, to May 31, 1965, per trial balances of the general ledgers of the Company".

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2335.	Photostatic copies of minutes of meeting of directors and shareholders as taken from the minute book of Turf Kings Leasing Inc.		agrees to buy from Commodore Factors Limited 3,874,500 common shares of Sprayfoil Corporation for sum of \$255,000 U.S.
2336.	Share certificate no. 1 for three shares of Turf Kings Leasing Inc. in name of General Spray Service Inc. with assignment attached in favour of Commodore Factors Limited, dated April 16, 1964.	891.2	Copy of agreement from files of Solomon & Singer between Commodore Factors Limited and American Automation (Canada) Limited, by which American Automation agrees to lodge the 3,874,500 shares of Sprayfoil Corporation with Commodore Factors as collateral security for the loan of \$255,000 U.S.
2337.	Schedule prepared by Mr. Ross entitled "Turf Kings Leasing Inc., Summary of Loans Assumed from General Spray Service Inc. and Turf Kings Inc. and Payable to Commodore Factors Limited, per the Records of Commodore Factors Limited as at June 15, 1965".	2342.	Printed copy of the financial statement of Sprayfoil Corporation as at April 30, 1963 prepared by Walton, Wagman and Company dated December 15, 1963.
2338.	Draft of minutes of annual meeting of shareholders of Sprayfoil Corporation dated May 1, 1964, obtained from the files of Commodore Factors Limited.	2343.	Schedule prepared by Mr. Ross entitled "Sprayfoil Corporation Schedule of Loans from General Spray Service Inc. and from Commodore Factors Limited per the Records of Sprayfoil Corporation, General Spray Service Inc. and Commodore Factors Limited from August 29, 1962 to July 12, 1965."
740.1	Annual report for 1962 of Sprayfoil Corporation, from file of Walton, Wagman & Co.	2344.	Printed copy of financial statement of Sprayfoil Corporation for the period ended December 31, 1963 as prepared by Walton, Wagman & Company dated March 31, 1964.
2339.	Schedule prepared by Mr. Ross entitled "Sprayfoil Corporation, Schedule of Shareholders as at September 27, 1962, October 3, 1963, and May 7, 1964".	739.1	Document entitled "Sprayfoil Corporation. Work Sheets as at December 31, 1964", from files of Messrs. Wagman, Fruitman & Lando.
2340.	Purchase agreement dated December 31, 1962, between General Spray Service Inc. and Sprayfoil Industrial Corporation, signed for both parties but not sealed.	2345.	Schedule prepared by Mr. Ross entitled "Sprayfoil Corporation, Schedule of Operating Results per Available Financial Statements and Trial Balance for the year ended April 30, 1963, for the period May 1, 1963 to December 31, 1963 and for the year ended December 31, 1964".
2341.	Carbon copy of letter of offer and acceptance from files of Commodore Factors Limited dated October 3, 1963, between Commodore Factors Limited and General Spray Service Inc. signed by C. P. Morgan for Commodore Factors Limited and accepted and agreed to on behalf of General Spray Service by F. Reese Brown by which Commodore Factors proposes to acquire the shares of Sprayfoil Corporation and Debentures of General Spray Service for the \$250,000 indebtedness of General Spray Service to Commodore Factors.	2348.	Copy of agreement from files of Commodore Sales Acceptance Limited dated April 5, 1962, between American Automation (Canada) Limited and Commodore Sales Acceptance Limited re: loan of \$5,000 from Commodore Sales Acceptance Limited to American Automation (Canada) Limited executed on behalf of American Automation (Canada) Limited only.
891.1	Copy of agreement from files of Solomon & Singer, dated May 7, 1964, between Commodore Factors Limited and American Automation (Canada) Limited by which American Automation (Canada) Limited		



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2349.	Schedule prepared by Mr. Ross entitled "American - Marsh Pumps (Canada) Limited, Schedule of Loans from Commodore Sales Acceptance Limited per Records of Commodore Sales Acceptance Limited for the period November 6, 1959 to July 12, 1965".	2354.	Schedule prepared by Mr. Ross entitled "American Automation (Canada) Limited Contingent Liability to Commodore Sales Acceptance Limited on Truck Leases Assigned per Records of Commodore Sales Acceptance Limited from April 18, 1962 to July 12, 1965".
2350.	Schedule prepared by Mr. Ross entitled "American - Marsh Pumps (Canada) Limited, Summary of Financial Position per Available Financial Statements as at November 30, 1961, November 30, 1962, December 31, 1963 and November 30, 1964".	2355.	Schedule prepared by Mr. Ross entitled "American Automation (Canada) Limited, Schedule of Other Loans from Commodore Sales Acceptance Limited, per Records of Commodore Sales Acceptance Limited from April 12, 1962 to July 12, 1965".
2351.	Schedule prepared by Mr. Ross entitled "American - Marsh Pumps (Canada) Limited, Summary of Operating Results and Deficit per Available Financial Statements for the years ended November 30, 1961 and 1962, for the month ended December 31, 1963 and for the period January 1, 1964 to November 30, 1964."	2356.	General ledger of General Lawn Spray Limited, for 1963 and 1964.
2352.	Schedule prepared by Mr. Ross entitled "American Automation (Canada) Limited, Schedule of Shareholders as at March 2, 1962, April 4, 1962 and April 15, 1963".	2357.	Bundle of accounting records being the cash receipts and cash disbursements records of General Lawn Spray Limited for the period July, 1963 to January, 1965.
2302.1	Declaration of trust, dated 15th day of April, blank year, signed Francis H. Hoge, Jr., acknowledging 30 common shares of American Automation (Canada) Limited are held by Hoge as trustee for C. Powell Morgan, and attached letter of acknowledgment from Hoge to C. P. Morgan dated April 15, 1963, from file of Solomon & Singer.	2358.	Cash receipts records of General Lawn Spray Limited for the period January, 1965 to May, 1965.
2302.2	Declaration of trust, dated 15th day of April, 1963, acknowledging 5 common shares of American Automation (Canada) Limited are held by Hoge as trustee for Albert J. Woolfrey and attached letter of acknowledgment from Hoge to Woolfrey dated April 15, 1963, from file of Solomon & Singer.	2359.	General journal of General Lawn Spray Limited being the purchase journal for the period the month of January to the month of April, 1965, and the cash disbursements journal for the period the month of January to the month of May, 1965.
2353.	Copy of agreement dated 7 May 1964, between F. H. Hoge, Jr., and Commodore Factors Limited, executed by F. H. Hoge, Jr., on behalf of Commodore Factors Limited, C. P. Morgan, President by which Mr. Hoge pledges all 100 shares of American Automation (Canada) Limited to Commodore Factors Limited as collateral security for loan to American Automation.	2360.	Purchase journal of General Lawn Spray Limited for the period May to August, 1965.
		2361.	Schedule prepared by Mr. Ross entitled "General Lawn Spray Limited, Schedule of Shareholders as at July 26, 1963, February 4, 1965, and April 1, 1965."
		992.1	Shareholders' agreement re: General Lawn Spray Limited made the 13th day of September, 1963, between Norman D. Hogg, Earl Selkirk and C. Powell Morgan, executed by the three parties, from a file of Solomon & Singer.
		2362.	Schedule prepared by Mr. Ross entitled "General Lawn Spray Limited, Schedule of 7% Subordinated Convertible Notes Payable dated April 1, 1965 and due March 31, 1975."



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
993.2	Carbon copy of letter from Solomon and Singer to General Spray Service Inc. dated May 14, 1965 indicating that General Lawn Spray Limited granted to General Spray Service Inc. an option to purchase \$50,000 of its subordinated notes and 10,000 common shares to be exercised together before May 31, 1965.	2368.	Photocopy of General Spray Service Inc. comparative financial statements as at March 31, 1961, December 31, 1961, March 31, 1962 and June 30, 1962 with attached photocopy of letter dated November 7, 1962 to Mrs. K. Christie, Mr. C. G. King, Mr. C. M. Fines and Valley Farm and Enterprises Limited signed by F. H. Hoge Jr. stating that there had been no material change in the financial condition of the company since the dates of the statements.
737.1	Photostatic copy from the office of Wagman, Fruitman & Lando of preliminary agreement dated November 27, 1959, between C. H. Snyder, General Spray Service Inc. and Francis H. Hoge, Jr. re patent application.	2369.	Photostatic copy of memorandum dated November 17, 1964 of Mr. Carman G. King with the heading, "Re Financial Arrangements being made for General Lawn Spray Limited" outlining agreement of Mrs. M. Morgan, Mrs. K. Christie, Mr. C. M. Fines and Mr. C. King to subscribe for shares and convertible notes of General Lawn Spray Limited.
2363.	Schedule prepared by Mr. Ross entitled "General Spray Service Inc., Schedule of Sale of Trucks to Commodore Factors Limited per the Records of General Spray Service Inc. and Commodore Factors Limited, March, 1964."	2370.	Four-page letter from Solomon & Singer dated February 10, 1965 to Mr. C. G. King confirming agreement outlined in Exhibit 2369.
2364.	Signed carbon copy of financial statements of General Spray Service Inc. and Turf Kings Inc. as at March 31, 1964 prepared by A. Jesse Goldstein, New York, dated December 10, 1964.	2371.	Photostatic copy of three-page memorandum entitled "General Lawn Spray Limited, Progress Report to December 31, 1964 and Projection for Spring, 1965," dated January 28, 1965 from E. W. Selkirk, President, General Lawn Spray Limited.
2365.	Schedule prepared by Mr. Ross entitled "General Lawn Spray Limited Schedule of Loans from Commodore Sales Acceptance Limited per Records of Commodore Sales Acceptance Limited, from December 30, 1963 to June 17, 1965."	2372.	Information pamphlet describing Sprayfoil new spraying principle.
2366.	Schedule prepared by Mr. Ross entitled "General Spray Service Inc. and Related Companies, Summary of Loans Payable to Atlantic Group as at Approximate Dates Major New Loans Ceased to be Made as at dates falling between May 31, 1965 and July 12, 1965, per Records of Commodore Factors Limited and Commodore Sales Acceptance Limited and of Approximate Loss thereon."	2373.	Carbon copy of a letter dated April 15, 1964 to General Lawn Spray Service, from K. E. Stoughton, B.Comm., C.G.A., unsigned to which is attached a balance sheet for the three-month period ending March 31, 1964 together with a balance sheet for the period ending December 31, 1963 for General Lawn Spray Service.
2367.	Handwritten schedule prepared by Mr. Ross entitled "General Spray Service Inc. Calculation of Effective Rate of Interest Charged by Commodore Factors Limited on Truck Lease-Purchase Agreements Assigned to Commodore Factors Limited per Two Sample Agreements Assigned on May 8, 1962 and October 31, 1962 respectively."	2374.	Letter dated January 18, 1965, from Messrs. Solomon and Singer to Mr. E. W. Selkirk, with draft minutes of a meeting of the board of directors of General Lawn Spray Limited of January 15, 1965, attached.
		2375.	Carbon copy of profit and loss statement of the operations of General Lawn Spray Limited to July 31, 1964 showing current operating deficit as \$91,686.92.

*Exhibit  
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2376. Carbon copy of trial balance of General Lawn Spray Limited dated September 30, 1964.
2377. Carbon copy of financial statement entitled "General Lawn Spray Limited, Trading Profit and Loss Account, April 1st, 1965 to July 31st, 1965."
2378. Financial statement of Analogue Controls Inc. for period ending 31 October, 1961 obtained from the records of the Toronto Stock Exchange.
2379. Financial statement of Analogue Controls Inc. for period ending 31 October, 1962 obtained from the records of the Toronto Stock Exchange.
2380. Financial statement of Analogue Controls Inc. for the period ending 31 October, 1963 obtained from the records of the Toronto Stock Exchange.
2381. Financial statement of Analogue Controls Inc. for the period ending 31 October, 1964 obtained from the records of the Toronto Stock Exchange.
2382. Statistical summary of volume and prices of shares of Analogue Controls Inc. from 31 May, 1957 to 13 May, 1965 obtained from the records of the Toronto Stock Exchange.
2383. Schedule prepared by Mr. Gillman entitled "Directors of Analogue Controls Inc. from 31 October, 1961 at Year End."
2384. Schedule prepared by Mr. Gillman entitled "Analogue Controls Inc., Schedule of Condensed Comparative Balance Sheets" for the years 1962, 1963 and 1964.
2385. Cheque no. 963, dated October 12, 1962 in the amount of \$221,970 from Commodore Business Machines (Canada) Limited payable to Annett Partners Limited re payment for 181,200 Shares of Analogue Controls Inc.
2386. Cheque no. 917, dated September 14, 1962 in the amount of \$37,960 from Commodore Business Machines (Canada) Limited to Annett Partners Limited re payment for 20,800 shares of Analogue Controls Inc.

*Exhibit  
No.*

*Description*

2387. Handwritten list of vendors of shares of Analogue Controls Inc. obtained from Annett Partners Limited in relation to 181,200 shares sold to Commodore Business Machines Inc. at \$1.20 a share.
2388. Letter on Commodore letterhead signed by Manfred Kapp addressed to Aurora Leasing Corporation Limited dated September 14, 1962 enclosing certificates for 20,800 shares in common stock of Analogue Controls Inc. as security for loan of \$37,960 to Commodore from Aurora Leasing.
2389. Cheque from Aurora Leasing Corporation Limited dated September 14, 1962, payable to Commodore Business Machines (Canada) Limited in the amount of \$37,960 re purchase of shares of Analogue Controls Inc.
2390. Letter on the letterhead of Commodore to Aurora Leasing Corporation Limited dated October 12, 1962, enclosing certificates for 181,200 shares in common stock of Analogue Controls Inc. as security for loan of \$224,402.50 to Commodore from Aurora Leasing.
2391. Cheque from Aurora Leasing Corporation Limited payable to Commodore Business Machines (Canada) Limited dated October 12, 1962 in the amount of \$224,402.50 re purchase of 181,200 shares of Analogue Controls Inc.
2392. Letter from office of Walton, Wagon & Co. dated January 7, 1963, signed by C. M. Solomon as Trustee for British Mortgage & Trust Company being receipt to Aurora Leasing Corporation Limited for a demand note to Aurora from Commodore Business Machines (Canada) Limited in amount of \$224,402.50 dated October 10, 1962 to be held as security for loan of \$250,000 to Aurora by British Mortgage & Trust.
2393. Letter from office of Walton, Wagon & Co. dated January 3, 1963, British Mortgage & Trust Company to C. Powell Morgan enclosing cheque to Aurora Leasing Corporation Limited in the amount of \$250,000 representing a three month loan at 7% to Aurora Leasing.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2394.	Carbon copy of letter dated October 24, 1963, to Mr. William B. Lewis, Jr., the Franklin National Bank, Franklin Square, Long Island, New York from Mr. Carman G. King re sale of 130,000 Treasury shares of Analogue Controls Inc. to Commodore Business Machines (Canada) Limited.	2401.	File containing lists of shareholdings of Aurora Leasing Corporation Limited at January 15, 1964.
2395.	Photostatic copy of letter dated October 29, 1963, to J. R. Kimber, Chairman, Ontario Securities Commission, Toronto, from Messrs. Solomon & Singer re necessity for prospectus to be filed for issue of 130,000 common shares of Analogue Controls Inc. to Commodore Business Machines (Canada) Limited.	2402.	Photostatic copy of cheque no. A 3029 dated February 28, 1964, in amount of \$95,680 U.S., from Commodore Business Machines (Canada) Limited to Analogue Controls Inc. in payment of the 130,000 shares.
2396.	Photostatic copy of letter dated November 7, 1963, to Messrs. Solomon and Singer, 44 King Street West, Toronto, from the Ontario Securities Commission advising that proposed transaction outlined in Exhibit 2395 would not necessitate filing of prospectus.	2403.	Confirmation from Barrett, Goodfellow & Company of sale of 162,000 Analogue Controls Inc. common shares on September 14, 1964 on delayed delivery by Commodore Business Machines (Canada) Limited.
2397.	Copy of minutes of a special meeting of the board of directors of Analogue Controls Inc., dated October 23, 1963 re sale of 130,000 common shares of Analogue Controls Inc. to Commodore Business Machines (Canada) Limited.	2404.	Confirmation from Barrett, Goodfellow & Company for sale of 170,000 shares of Analogue Controls Inc. common shares on September 14, 1964 on delayed delivery by Commodore Business Machines (Canada) Limited.
2398.	Photostatic copy of letter dated October 28, 1963, to the Toronto Stock Exchange, Bay Street, Toronto, from Benjamin H. Oremland re sale of 130,000 shares of Analogue Controls Inc. at .80¢ per share to Commodore Business Machines (Canada) Limited.	2405.	Photostatic copy of letter dated September 14, 1964 from Commodore Business Machines (Canada) Limited to Barrett, Goodfellow & Company re sale of 332,000 shares of Analogue Controls Inc. by Commodore Business Machines (Canada) Limited.
2399.	Photostatic copy of letter dated October 29, 1963, to Mr. Carman G. King, Annett & Company Limited, 220 Bay Street, Toronto, from William B. Lewis, Jr., Franklin National Bank re loan of \$50,000 to Commodore Business Machines (Canada) Limited secured by 130,000 shares of Analogue Controls Inc.	2406.	Cheque no. 8977 dated October 5, 1964 to Commodore Business Machines (Canada) Limited from Barrett, Goodfellow & Company in the amount of \$243,950 re sale of 170,000 shares of Analogue Controls Inc.
2400.	Receipt dated January 10, 1964, to Aurora Leasing Corporation Limited signed by J. Tramiel for share certificates for 130,000 shares of Analogue Controls Inc. in name of Commodore Business Machines (Canada) Limited.	2407.	Cheque no. 4085 dated October 5, 1964 from Commodore Business Machines (Canada) Limited to Aurora Leasing Corporation Limited in the amount of \$264,799.85.
		2408.	Cheque dated October 5, 1964 from Aurora Leasing Corporation Limited to Barrett, Goodfellow & Company on behalf of Mortgage Trust and Savings Corporation (Bahamas) Limited in the amount of \$250,000.
		2409.	Certificate copy of corporate documents of Mortgage Trust & Savings Corporation (Bahamas) Limited on file in the Ministry of Road Traffic and Records in the Colony of the Bahamas.



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2410.	Cheque no. 9108 dated October 19, 1964 from Barrett, Goodfellow & Company to Commodore Business Machines (Canada) Limited, in the amount of \$192,470.	2420.	Certified copy of corporate documents of Overseas Holdings Limited on file in the Ministry of Road Traffic and Records of the Colony of the Bahamas.
2411.	Credit voucher of Barrett, Goodfellow & Company addressed to Mortgage Trust & Savings Corporation (Bahamas) Limited dated October 19, 1964 acknowledging receipt of \$300,000.	2421.	Certified copy of corporate documents of Overseas Holdings Inc. on file in the Department of the Secretary of State of the Republic of Liberia.
2412.	Cheque no. 310 dated October 19, 1964 from Commodore Factors Limited to the Bank of Nova Scotia in the amount of \$300,030.	2422.	Delivery slip of Barrett, Goodfellow & Company dated 9 December, 1964 relating to transfer of 310,600 shares of Analogue Controls Inc. from the account of Mortgage Trust & Savings Corporation (Bahamas) Limited to Mr. H. Wagman.
2413.	Promissory note dated October 19, 1964 in the amount of \$279,181, U.S. due January 15, 1965 to Commodore Factors Limited signed by Manhattan Sound Corporation from the records of Commodore Factors.	2423.	Photostatic copy of letter dated November 12, 1964, to Barrett, Goodfellow & Company from Mortgage Trust & Savings (Bahamas) Limited giving authority to Barrett, Goodfellow to deliver 25,000 shares of Analogue Controls Inc. to British Mortgage & Trust Company.
2414.	Photocopy of minutes of special meeting of board of directors of Manhattan Sound Corporation dated November 5, 1964.	2424.	Delivery slip of Barrett, Goodfellow & Company dated December 4, 1964 relating to transfer of 25,000 shares of Analogue Controls Inc. from the account of Mortgage Trust & Savings Corporation (Bahamas) Limited to British Mortgage & Trust Company.
2415.	Promissory note from Manhattan Sound Corporation to Motion Pictures Security Corporation dated January 18, 1965 payable On Demand in the sum of \$332,245.95, U.S.	2425.	Photostatic copy of ledger sheet of C. P. Morgan account with British Mortgage & Trust Company showing 25,000 shares of Analogue Controls Inc. pledged as partial security for loan of \$200,000.
2416.	Copies of three ledger sheets from the books of account of Commodore Factors Limited entitled "Special Notes Receivable Manhattan Sound Corporation," "Special Notes Receivable Motion Picture Security," and "Conversion re Motion Picture Securities."	2426.	Two-page memorandum commencing with the words "Dear Harry" from George H. Weinrott re transactions in shares of Analogue Controls Inc.
2417.	Letter dated October 21, 1964, from Cimcony Limited to the Toronto Stock Exchange re ownership of 332,000 shares of Analogue Controls Inc. acquired from Commodore Business Machines (Canada) Limited and proposed addition to board of directors of Analogue Controls.	2427.	Memorandum of collateral promissory note to Aurora Leasing Co. Ltd. from Cimcony of Canada Limited in the amount of \$500,000 U.S.; photostatic copy of letter dated October 15, 1964 from Cimcony Limited to Mortgage Trust & Savings Corporation (Bahamas) Limited and photostatic copy of letter dated October 16, 1964 from Cimcony Limited to Cimcony of Canada Limited re transfer of 75,000 shares of Analogue Controls Inc.
2418.	Certified copy of corporate documents of Cimcony Limited on file in the Ministry of Road Traffic and Records of the Colony of Bahamas.		
2419.	Certified copy of corporate documents of Regina Investment Corporation on file in the Department of the Secretary of State of the Republic of Liberia.		



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2428.	Eight typewritten sheets of entries taken from the books of account of Analogue Controls Inc. from the office of the District Attorney in New York City.	2436.	Barrett, Goodfellow & Company delivery slip relating to delivery on April 1, 1965, of 49,100 Analogue shares, the receipt portion of which is initialled "C.P.M."
2429.	Three-page agreement dated 31 October, 1964, between Analogue Controls Inc. and Commodore Drycopy Inc. by which Commodore Drycopy agrees to pay Analogue Controls \$698,042.34 being amount incurred by Analogue in development and manufacturing of a dry copy machine for Commodore Drycopy and Commodore elects to terminate the manufacture of the machine by Analogue Controls.	2437.	Carbon copy of letter dated February 10, 1965, from N.G.K. Investments Limited to Royal Bank of Canada, Freeport, Grand Bahama, with instructions to sell 50,000 shares of Analogue Controls Inc. for account of N.G.K. Investments Limited.
2430.	Invoice no. 3245, dated February 1, 1965 from Jay-Man Distributors Inc. to Analogue Controls Inc. for machine parts in amount of \$300,000.	2438.	Barrett, Goodfellow & Company office copy of delivery slip recording delivery of 49,100 shares of Analogue Controls Inc. on April 1, 1965 marked "To Aurora Collateral Account for N.G.K."
2431.	Invoice dated December 1, 1964 from Commodore Drycopy Inc. to Jay-Man Distributors Inc. in amount of \$524,265.31.	2439.	Handwritten summary of securities held by Aurora Leasing Corporation Limited containing list of share certificate numbers.
2432.	Photostatic copy of letter dated December 31, 1964, from Commodore Drycopy Inc., 200 Frank Road, Hicksville, New York, to Baronet Associates Inc., New York re Jay-Man Distributors Inc. assuming the debt of Commodore Drycopy Inc. to Baronet Associates Inc.	2440.	Photostatic copy of letter dated April 1, 1965 from N.G.K. Investments Limited, being a receipt to Aurora Leasing Corporation Limited for 25,000 shares of Analogue Controls Inc.
2433.	Barrett, Goodfellow & Company delivery slip dated 20 October, 1964, relating to delivery of 2,000 shares of Analogue Controls Inc. from the account of N.G.K. Investments Limited, the receipt portion of which is signed "C. P. Morgan."	2441.	Barrett, Goodfellow & Company receiving slip dated April 1, 1965 showing 25,000 shares of Analogue Controls Inc. received for account of Royal Bank of Canada and attached list of securities received for April 1, 1965.
2434.	Barrett, Goodfellow & Company delivery slip dated January 28, 1965, relating to delivery of 10,000 shares of Analogue Controls to the Royal Bank of Canada, King and Yonge Streets from account of N.G.K. Investments Limited.	2442.	Photostatic copy of letter dated April 10, 1965, from the Royal Bank of Canada, Freeport, Grand Bahama to Barrett, Goodfellow & Company, enclosing 50,000 shares of Analogue Controls Inc. and outlining details of previous transactions in shares of Analogue.
2435.	Photostatic copy of letter from records of Barrett, Goodfellow & Company, dated March 31, 1965, from N.G.K. Investments Limited to Barrett, Goodfellow & Company, enclosing a cheque for \$103,886.94 in payment of margin account and directing them to have 49,100 shares of Analogue Controls Inc. ready for delivery for April 1, 1965.	2443.	Barrett, Goodfellow & Company receiving slip showing receipt of 50,000 Shares of Analogue Controls Inc. for the account of the Royal Bank of Canada, Freeport, Grand Bahama on April 19, 1965.
		2444.	Schedule prepared by Mr. Gillman entitled "Estimated Profit Realized from Trading in Analogue Controls Inc. by Mortgage Trust & Savings (Bahamas) Limited and C. P. Morgan."
		2445.	"Toronto Stock Exchange Questionnaire" for the year as of May 31, 1960 for Analogue Controls Inc.

<i>Exhibit No.</i>	<i>Description</i>
2446.	"Toronto Stock Exchange Questionnaire" for the period ending May 31, 1961 for Analogue Controls Inc.
2447.	"Toronto Stock Exchange Questionnaire" for the period ending June 30, 1962 for Analogue Controls Inc.
2448.	"Toronto Stock Exchange Questionnaire" for the period ending June 29, 1963 for Analogue Controls Inc.
2449.	Wholesale transaction report from records of Toronto Stock Exchange dated September 14, 1964 for 332,000 shares of Analogue at \$1.45 marked "Barrett" and approved and initialled by "L" identified by Mr. Lavender as Lester Lowe, Assistant Secretary of Toronto Stock Exchange.
2450.	Copy of telegram from records of Toronto Stock Exchange dated October 14, 1965, to Mr. Morton R. Ruden, calling to the attention of Analogue Controls Inc. that the Toronto Stock Exchange must be kept informed of any material change in the company's affairs.
2451.	Carbon copy of letter from records of Toronto Stock Exchange dated November 5, 1964, from the Toronto Stock Exchange to Mr. Weinrott requesting information as to the names of persons having a greater interest than 5% in each of the five companies which are major shareholders of Analogue Controls Inc. through acquisition of 332,000 shares of Analogue from Commodore Business Machines (Canada) Limited.
2452.	Letter dated November 4, 1964, from Analogue Controls Inc. to Mr. W. M. Ketchen, Toronto Stock Exchange re Commodore Business Machines (Canada) Limited selling of 332,000 shares of the Stock of Analogue Controls Inc. to Cimcony Limited Overseas Holding Corporation, Regina Investments Inc., Mortgage Trust & Savings Corporation (Bahamas) Limited and Manhattan Sound Corporation and advising the Exchange of change in directors of Analogue.
2453.	Letter dated November 26, 1964, from Cimcony Limited to the Toronto Stock Exchange advising the names of persons owning more than 5% of the stock of the company.

<i>Exhibit No.</i>	<i>Description</i>
2454.	Letter dated December 1, 1964, from Manhattan Sound Corporation to the Toronto Stock Exchange advising the names of persons owning more than 5% of the stock of the company.
2455.	Copy of letter dated December 15, 1964, from the Toronto Stock Exchange sent by Mr. W. M. Ketchen to Analogue Controls Inc., Mr. Fred B. Adair, advising the company of the Exchange's decision to designate Analogue Controls Inc. a non-exempt company and requiring the company to submit a filing statement.
2456.	Letter dated January 22, 1965, to Mr. Ketchen, Vice-President of the Toronto Stock Exchange, from Benjamin H. Oremland per Morton R. Ruden advising a change in the board of directors of Analogue Controls Inc. and giving notice of a special meeting of stockholders to be held March 15, 1965.
2457.	Carbon copy of letter dated January 28, 1965, from Toronto Stock Exchange to Benjamin H. Oremland, attention of Mr. Morton R. Ruden, re Analogue Controls Inc. stating it was imperative that the Exchange receive filing statement material of Analogue by February 1, 1965.
2458.	Letter dated February 5, 1965 from Mr. Oremland's office signed by Morton R. Ruden to Mr. Ketchen of the Toronto Stock Exchange enclosing two copies of filing statement re Analogue Controls Inc.
2459.	Filing statement of Analogue Controls Inc. dated January 1, 1965 with attached memorandum made up by the Toronto Stock Exchange noting additional information required.
2460.	Letter dated February 15, 1965, to Mr. Benjamin H. Oremland from D. Anthony, Administrative Assistant Toronto Stock Exchange requesting additional information and amendments to be added to filing statement of Analogue Controls Inc.
2461.	Copy of Telegram dated March 19, 1965 addressed to Benjamin H. Oremland, attention Morton R. Ruden from D. Anthony, Toronto Stock Exchange requesting that all material for filing statement of Analogue Controls Inc. be submitted forthwith.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2462.	Carbon copy of amended filing statement of Analogue Controls Inc. submitted to Toronto Stock Exchange in March, 1965.	2475.	Transcript of evidence of Pierre J. Lelandais, before the Securities and Exchange Commission on February 10, 1966, in the City of New York.
2463.	Undated handwritten Report prepared by Mr. Lavender entitled "Report on Trading in Shares of Analogue Controls Inc. July 30, 1964, to May 13, 1965."	2476.	Transcript of evidence of Robert W. Quinn before the Securities and Exchange Commission on February 11, 1966, in the City of New York.
2464.	Report prepared by Mr. Lavender entitled "Analogue Controls Inc. Transactions made by Barrett, Goodfellow & Company for their Inventory Account and for the Account of R. A. Goodfellow Special Account, February 9th to May 13th, 1965."	2477.	Transcript of evidence of Leon Irving Ross before the Securities and Exchange Commission on March 3, 1966, in the City of New York.
2466.	Transcript of evidence of Fred B. Adair before the Securities and Exchange Commission on August 19, 1965 in the City of New York.	2478.	Transcript of evidence of Paul C. Sheeline before the Securities and Exchange Commission on September 1, 1965, in the City of New York.
2467.	Transcript of evidence of Fred B. Adair before the Securities and Exchange Commission on April 15, 1966, in the City of New York.	2479.	Transcript of evidence of George H. Weinrott before the Securities and Exchange Commission on January 18, 1966, in the City of New York.
2468.	Transcript of evidence of Alan T. Christie before the Securities and Exchange Commission on September 1, 1965 in the City of New York.	2480.	Working paper file from office of Messrs. Riddell, Stead, Graham and Hutchison entitled "Nevil Plastics Limited, Tax File".
2469.	Transcript of evidence of Alan T. Christie before the Securities and Exchange Commission on October 22, 1965, in the City of New York, pages 92 to 133.	2481.	Working paper file from the office of Messrs. Riddell, Stead, Graham and Hutchison entitled "Nevil Plastics Inc., Tax File".
2470.	Transcript of evidence given by Alan T. Christie before the Securities and Exchange Commission on October 22, 1965 in the City of New York, pages 134 to 208.	2482.	Working paper file from the office of Messrs. Riddell, Stead, Graham and Hutchison entitled "Nevil Enterprises, Inc., Tax File".
2471.	Transcript of evidence of Henry William Goldsmith before the Securities and Exchange Commission on August 20, 1965 in the City of New York.	2483.	Working paper file from the office of Messrs. Riddell, Stead, Graham and Hutchison entitled "Nevil Enterprises, Inc., Accounting Working Papers, July 31, 1963".
2472.	Transcript of evidence of Jean Lambert before the Securities and Exchange Commission on December 8, 1965 in the City of New York, pages 1 to 55.	2484.	Working paper file from the office of Messrs. Riddell, Stead, Graham and Hutchison entitled "Nevil Enterprises, Inc., Accounting Working Papers, July 31, 1964".
2473.	Transcript of evidence of Jean Lambert before the Securities and Exchange Commission on December 8, 1965 in the City of New York, pages 56 to 113.	2485.	Working paper file from the office of Messrs. Riddell, Stead, Graham and Hutchison entitled "Nevil Enterprises, Inc., Accounting Working Papers, July 31, 1965".
2474.	Transcript of evidence of Gay V. Land before the Securities and Exchange Commission on October 21, 1965, in the City of New York.	2486.	Working paper file from office of Messrs. Riddell, Stead, Graham and Hutchison entitled "Tools and Molds, Inc.; Nevil Plastics, Inc.; Nevil Plastics Limited; Audit Working Papers, Accounting, 1963-July 31, 1965".



<i>Exhibit No.</i>	<i>Description</i>
2487.	Working paper file from office of Messrs. Riddell, Stead, Graham and Hutchison entitled "Nevil Plastics, Inc., Accounting Working Papers, December 31, 1960".
2488.	Working paper file from office of Messrs. Riddell, Stead, Graham and Hutchison entitled "Nevil Plastics, Inc., Accounting Working Papers, December 31, 1961".
2489.	Working paper file from office of Messrs. Riddell, Stead, Graham and Hutchison entitled "Nevil Plastics, Inc., Accounting Working Papers, December 31, 1962".
2490.	Schedule prepared by R. W. Scott entitled "Nevil Plastics Limited, Comparative Financial Statements February 28, 1961 to February 28, 1965 and July 31, 1965".
2491.	Direction dated March 28, 1962, to the Manager of the Bank of Nova Scotia from Nevil Enterprises, Inc. and signed by Neville Levinson as President and Miss Paula Drew as secretary, listing officers and directors of Nevil Enterprises, Inc.
2492.	Carbon copy of two-page document entitled "Certification of Officers", dated May 15, 1963 addressed to Chemical Bank New York Trust Company from Tools and Molds, Inc., re the directors and officers of Tools and Molds, Inc. signed by P. Drew, Secretary.
2493.	Schedule prepared by Mr. Scott entitled "Nevil Plastics, Inc., Comparative Financial Statements December 31, 1959, to December 31, 1964 and July 31, 1965".
2494.	Schedule prepared by Mr. Scott entitled "Nevil Enterprises, Inc., Comparative Financial Statements, August 1, 1962 and July 31, 1963 to July 31, 1965".
2495.	Schedule prepared by Mr. Scott entitled "Tools & Molds, Inc., Comparative Financial Statements, April 30, 1964 and July 31, 1965".
2496.	Schedule prepared by Mr. Scott entitled "Nevil Group, Combined Financial Statements, 1961-1965".
2497.	Schedule prepared by R. W. Scott from information in records of Commodore Factors Limited, Commodore Sales Acceptance Limited and Adelaide Acceptance Limited

<i>Exhibit No.</i>	<i>Description</i>
	entitled "Nevil Group, Summary of Loans Outstanding at July 31, 1959 to 1965".
2498.	Accounts receivable assignment Schedule, Nevil Enterprises, Inc., to Commodore Factors Limited numbered "Ent. 74" dated 11 September, 1964.
2499.	Sub-ledger Sheets of Commodore Factors Limited re: Nevil Enterprises Inc. and Hiram Walker Inc. recording invoices factored by Nevil Enterprises.
2500.	Sub-ledger Sheets of Commodore Factors Limited re: Nevil Enterprises Inc. and Nestlé Company recording invoices factored by Nevil Enterprises.
2501.	Sub-ledger Sheet of Commodore Factors Limited re: Nevil Enterprises and E. R. Squibb & Sons recording invoices factored by Nevil Enterprises.
2502.	Carbon copy of document headed "Nevil Enterprises Accounts Receivable ending February 28, 1965", from the records of Commodore Factors Limited.
2503.	Schedule prepared by Mr. Scott entitled "Nevil Group Outline of Refinancing Operations 1961-1963".
2504.	Photostatic copy of ledger sheet of Nevil Plastics Inc. with Bank of Nova Scotia for the month of July, 1962.
2505.	Handwritten memorandum on the stationery of Nevil Enterprises Inc. re: loan from Adelaide Acceptance Limited obtained from working papers of Accountants for Nevil companies.
2506.	Copy of ledger sheet for the account of Neville Levinson from bank records at the Bank of Nova Scotia, Eglinton & Castle Knock, covering the month of July, 1962 re deposit of \$40,000 on July 6, 1962.
2507.	Unsigned document described as an agreement dated 30 April, 1965 entitled "Mortgage of Letters Patent", between Nevil Enterprises Inc. and Commodore Factors Limited referring to design patents and registration.
2508.	Bundle of brochures illustrating patent for display stand "Space-naut" referred to in Exhibit 2507.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2509.	Letter obtained from files of Adelaide Acceptance, to Atlantic Acceptance signed "Nevil Plastics Limited per N. Levinson" dated July 3, 1962 referring to a \$300,000 loan to Nevil Plastics by Adelaide Acceptance.	2518.	Bundle of assignment forms in respect of Hiram Walker Inc., The Nestlé Company Inc. and E. R. Squibb and Sons, including those outstanding at February 28, 1965 shown on the records of Commodore Factors as assignments against which Commodore Factors made advances.
2510.	Copy of agreement dated 15 May, 1963 between Commodore Factors Limited and Tools and Molds Inc. re: loan to Tools and Molds Inc. by Commodore Factors, in the principal amount of \$420,000.	2519.	Carbon of letter dated September 27, 1965, from Buffalo lawyers Williams, Stevens and McCarville to Hiram Walker Inc. re assignments of payments due Nevil Enterprises Inc. to Commodore Factors Limited.
2511.	Agreement of purchase and sale dated 15 May, 1963, between Nevil Enterprises Inc. and Tools and Molds Inc. covering the sale of "Dies and Molds" to Tools and Molds Inc. by Nevil Enterprises Inc. for sum of \$320,000.	2520.	Letter dated October 19, 1965, from Hiram Walker Inc. to Buffalo lawyers Williams, Stevens and McCarville in answer to letter of September 27, 1965.
2512.	Audited balance sheet combining financial statements of Nevil Enterprises Inc., Nevil Plastics Inc., Nevil Plastics Limited and Tools and Molds Inc. for the seven months ended February 28, 1966 with the auditors' report to the directors, auditors being Riddell, Stead, Graham and Hutchison.	2486.1	Schedule found among working papers of Riddell, Stead, Graham and Hutchinson entitled "Nevil Enterprises Inc. Sales by Customer from 1958-1965" showing how much business was done by Nevil Companies with E. R. Squibb and Sons, The Nestlé Company Inc. and Hiram Walker Inc.
2513.	Document entitled "Proposal to Refinance Debt of Nevil Enterprises Inc. and Tools and Molds Inc." addressed to Mr. C. P. Morgan from A. G. Woolfrey dated March 21, 1965 with notation "O.K. N. Levinson".	2521.	General ledger of Renel Investments Limited.
2514.	Document entitled "Nevil Enterprises Inc., Accounts Receivable as of March 2, 1965", from the records of Commodore Factors Limited showing figure of \$39,261.21. signed "O.K. N. Levinson".	2522.	Cash book an Renel Investments Limited.
2515.	Document entitled "Nevil Enterprises Inc. Accounts Receivable as of 31 August, 1964", supplied by Nevil Enterprises Inc. to A. G. Woolfrey.	2523.	Folder and contents entitled "Commodore Sales Acceptance, Incorporation", from the office of Louis William Spencer, Barrister and Solicitor, of Spencer, Addison & Scott.
2516.	Copy of letter on letterhead of Benjamin H. Oremland from Morton R. Ruden to Commodore Factors, A. G. Woolfrey, dated December 7, 1964 re: proposed loans and financing agreements with Commodore Factors Limited, Nevil Enterprises Inc. and Tools and Molds Inc.	2524.	Certified copy of documents on file in the Department of the Provincial Secretary for Ontario re Ansy McLean Limited.
2517.	Document entitled "Inventory February 28, 1965" found in the records of Commodore Factors Limited bearing the signature of Mr. Levinson showing the amount of inventory as \$287,202.92.	2525.	Certified true copy of declaration pursuant to the Partnership Registrations act, an affidavit of William L. Walton, carrying on business under the name of Custom Fidelity Music System from 28 June, 1955 to 13 February, 1960, from Registry Office of Registry Division of Toronto.
		2526.	Certified copies of documents on file with the Department of the Provincial Secretary for Ontario re Eila Investments Limited.
		2527.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario, re King Fixit Marts Limited.

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2528.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario, re: Pneuma Serve Limited.		Corporation, and Arcan Corporation Limited and its wholly-owned subsidiary Arcan (Eastern) Limited by which Arcan agrees to buy from Bon Ami 3,000 common shares of Bon Ami Limited for \$150,000.
2529.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario, re Nacra Limited.	2541.	Photostatic copy of Arcan Corporation Limited 7% convertible debenture to Associated Canadian Holdings Limited in the amount of \$350,000, with signatures "Gerald Groshup, President" and "E. N. Kemp, Secretary" for Arcan Corporation Limited and "C. M. Solomon, Director" and "H. Wagman, Secretary" for Associated Canadian Holdings Limited.
2530.	Certified copies of the declaration of business of Nacra Limited, dated the 27th day of April, 1962, from Registry Office, Registry Division of Toronto, a declaration certifying that Nacra Limited is carrying on business as Queen Dry Cleaning Carousel.	2542.	Schedule prepared by Mr. Burnett from books of Arcan and subsidiaries entitled "Arcan Corporation Limited and its Subsidiary Charcoal Supply & Sales of Ontario Limited, Statement of Indebtedness to Associated Canadian Holdings Limited, Aurora Leasing Corporation Limited, D. P. Owen and C. P. Morgan as at July 31, 1965".
2531.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario, re House of Arcan Limited.	2543.	Schedule prepared by Mr. Burnett entitled "Arcan Corporation Limited and its Subsidiary Charcoal Supply & Sales of Ontario Limited, Statement of Source and Disposition of Funds Relating to Major Financing for the period January 14, 1963 to October 10, 1965".
2532.	General ledgers of Arcan Corporation Limited in three groups, from March 31, 1959 to March 31, 1965.	2544.	Schedule prepared by Mr. Burnett entitled "Arcan Corporation Limited, Statement of Source and Disposition of Funds for the period January 8, 1963, to June 28, 1963".
2533.	General ledgers of Beaver Charcoal Company, a division of Charcoal Supply & Sales of Ontario Limited, from April 1, 1961 to April 1, 1966.	2545.	Schedule prepared by Mr. Burnett entitled "Arcan Corporation Limited, Statement of Disposition of \$350,000.00 Received July 18, 1963, for Debenture Issued to Associated Canadian Holdings Limited".
2534.	Bundle of journal entry vouchers of Beaver Charcoal Company, January 31, 1962 to October 31, 1965.	2546.	Schedule prepared by Mr. Burnett entitled "Arcan Corporation Limited Statement of Receipts and Disbursements for the period November, 1962 to October, 1965".
2535.	Folder containing office copy of corporation income tax return, working papers and unaudited financial statements of Charcoal Supply & Sales of Ontario Limited as at March 31, 1965.	2547.	Schedule, prepared by Mr. Burnett entitled "Arcan Corporation Limited and its Subsidiaries, Charcoal Supply & Sales of Ontario Limited and Bon Ami Limited, Statement of Investments and Advances to Affiliated Companies 'Written-Off' as at March 31, 1963, 1964 and 1965".
2536.	Bundle of general ledger cards of Bon Ami Limited, April 1, 1960 to March 31, 1966.		
2537.	Bundle of journal entry vouchers of Bon Ami Limited, February 28, 1962 to December 31, 1965.		
2538.	Folder containing office copy of corporation income tax return, working papers and unaudited financial statements of Bon Ami Limited as at March 31, 1965.		
2539.	Folder containing copy of corporation income tax return, working papers and unaudited financial statements of Arcan Corporation Limited as at March 31, 1965.		
2540.	Photostatic copy of agreement dated March 19, 1959, between the Bon Ami Company, a Delaware		

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2548.	Schedule prepared by Mr. Burnett entitled "Arcan Corporation Limited and its Subsidiaries Charcoal Supply & Sales of Ontario Limited and Bon Ami Limited, Statement of Expenses Relating to G. Groship and D. P. Owen for the period November, 1962 to June, 1965".	2552.	Certified copy of writ of summons in action no. 5165/65, in the Supreme Court of Ontario between Donald Phillip Owen and the Clarkson Company Limited, trustee of the estate of associated Canadian Holdings Limited, bankrupt, and Commodore Sales Acceptance Limited, certified by Assistant Registrar of Supreme Court of Ontario.
1651.1	Letter dated November 12, 1962, on letterhead of Arcan Corporation Limited to H. Wagman, Walton, Wagman and Company and signed "D. P. Owen" authorizing payment of \$10,000, being moneys borrowed by Arcan from Valley Farm, to G. R. Barrett and Company, trustees re: Selectra Industries Limited et al.	2553.	File entitled "Correspondence and Memoranda re: Examinations June 27, 1960 to June 14, 1965, British Mortgage & Trust Company", from the office of the Registrar of Loan and Trust Corporations.
1869.1	Letter dated September 26, 1962, to Mr. C. P. Morgan on the letterhead of Arcan Corporation Limited from Mr. D. P. Owen re: oral agreement made by Mr. Morgan to purchase 100,000 Arcan Corporation common shares from Mr. Owen for \$1.00 per Share.	2554.	Blue folder entitled "British Mortgage & Trust Correspondence" containing correspondence for the period January 19, 1957 to October 4, 1965 regarding British Mortgage & Trust Company, from the office of the Registrar of Loan and Trust Corporations.
1869.2	Executed contract agreement dated 20 September, 1962, between C. P. Morgan, Gerald Groship and D. P. Owen re: Arcan Corporation Limited.	2555.	Folder entitled "British Mortgage & Trust — Legal" containing documents for the years 1914 to 1964, from the office of the Registrar of Loan and Trust Corporations.
2549.	Certified copy of the writ of summons, statement of claim, statement of defences and other relevant pleadings in action no. 2940/65, in the Supreme Court of Ontario, between Standard International Corporation et al versus C. Powell Morgan et al certified by Assistant Registrar of Supreme Court of Ontario.	2556.	Folder entitled "Examination Reports 1957 to 1963, British Mortgage & Trust Company", from the office of the Registrar of Loan and Trust Corporations.
2550.	Certified copy of the pleadings in the matter of the bankruptcy of Arcan Corporation Limited, in the Supreme Court of Ontario, certified by Registrar of Supreme Court of Ontario.	2557.	Folder entitled "79A" and contents being working papers re: financial position British Mortgage & Trust Company after default of Atlantic Acceptance Corporation Limited, from the office of the Registrar of Loan and Trust Corporations.
2551.	Certified copy of writ of summons, statement of claim, summons to defendants of counterclaim, statement of defence and counterclaim, as amended, of the defendant Arcan Corporation Limited, and statement of defences of the defendants, action no. 5145/65, in the Supreme Court of Ontario, between the trustee of the estate of Associated Canadian Holdings Limited, bankrupt, and Arcan Corporation Limited, D. P. Owen, Robert Armstrong, and Bon Ami Limited certified by Assistant Registrar of Supreme Court of Ontario.	2558.	Folder entitled "British Mortgage & Trust, Financial, June 30, 1965, file No. 79", being further working papers re: financial position of British Mortgage & Trust Company after default of Atlantic Acceptance Corporation Limited, from the office of the Registrar of Loan and Trust Corporations.
		2559.	Folder entitled "79C" containing various press clippings, sundry notes and notations etc. with reference to British Mortgage & Trust Company, from the office of the Registrar of Loan and Trust Corporations.
		2560.	Folder containing sundry notes, re: assessment of investments at October 31, 1964, British Mortgage & Trust Company, from the office of the Registrar of Loan and Trust Corporations.



*Exhibit  
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*Description*

2561. Annual statements of British Mortgage & Trust Company to the Registrar of Loan and Trust Corporations for the fiscal years, December 31, 1956, 1957, 1958 and for the ten month period ending October 31, 1959, and for the fiscal years ending October 31, 1960, 1961, 1962, 1963 and 1964, from the office of the Registrar of Loan and Trust Corporations.
2562. Photostatic copy of two-page document being excerpts from shareholders' minutes of The Lucayan Beach Hotel Company Limited, obtained from Sassoon Banking Company Limited, Nassau.
2563. Photostatic copy of minutes of extraordinary general meeting of the shareholders on March 19, 1964, of The Lucayan Beach Hotel Company Limited, obtained from Sassoon Banking Company Limited, Nassau.
2564. Photostatic copy of minutes of extraordinary general meeting of shareholders on January 18, 1965, of The Lucayan Beach Hotel Company Limited, obtained from Sassoon Banking Company Limited, Nassau.
2565. Photostatic copy of minutes of extraordinary general meeting of the shareholders on June 14, 1965 of Lucayan Beach Hotel and Development Limited, obtained from Sassoon Banking Company Limited, Nassau.
2566. Photostatic copy of minutes of third annual general meeting of the shareholders on December 15, 1965, of Lucayan Beach Hotel and Development Limited, obtained from Sassoon Banking Company Limited, Nassau.
2567. Photostatic copy of summary prepared by Mr. Biddell of excerpts of minutes of various directors' meetings July, 1963 to February 1965 of Lucayan Beach Hotel and Development Limited, obtained from Sassoon Banking Company Limited, Nassau.
2568. Photostatic copy of minutes of meeting of board of directors of The Lucayan Beach Hotel Company Limited November 24, 1964, obtained from Sassoon Banking Company Limited, Nassau.

*Exhibit  
No.*

*Description*

2569. Photostatic copy of minutes of meeting of board of directors of Lucayan Beach Hotel and Development Limited, May 6, 1965, obtained from Sassoon Banking Company Limited, Nassau.
2570. Photostatic copy of minutes of meeting of board of directors of Lucayan Beach Hotel and Development Limited June 26, 1965, obtained from Sassoon Banking Company, Limited, Nassau.
2571. Photostatic copy of minutes of meeting of board of directors of Lucayan Beach Hotel and Development Limited, July 7, 1965 obtained from Sassoon Banking Company Limited, Nassau.
2572. Photostatic copy of minutes of two meetings of board of directors of Lucayan Beach Hotel and Development Limited, July 21, 1965 obtained from Sassoon Banking Company Limited, Nassau.
2573. Photostatic copy of minutes of meeting of board of directors of Lucayan Beach Hotel and Development Limited, July 22, 1965, obtained from Sassoon Banking Company Limited, Nassau.
2574. Photostatic copy of banking resolution of the board of directors of Lucayan Beach Hotel and Development Limited on September 28, 1965, obtained from Sassoon Banking Company Limited, Nassau.
2575. Photostatic copy of minutes of meeting of board of directors of Lucayan Beach Hotel and Development Limited, September 30, 1965, obtained from Sassoon Banking Company Limited, Nassau.
2576. Photostatic copy of minutes of meeting of board of directors of Lucayan Beach Hotel and Development Limited, November 20, 1965, obtained from Sassoon Banking Company Limited, Nassau.
2577. Photostatic copy of excerpts from shareholders' list of Lucayan Beach Hotel and Development Limited as of November 30, 1965 relating to Mildred Morgan, Dallas Holdings Limited, H. Wagman, and W. L. Walton, obtained from Sassoon Banking Company Limited, Nassau.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2578.	Photostatic copy of excerpt of shareholders' meeting of Lucayan Marina Limited, January 16, 1964 being first annual general meeting obtained from Sassoon Banking Company Limited, Nassau.	2588.	Photostatic copy of excerpts from minutes of meetings of directors of L.B.H. Management Company Limited, February 5 and February 25, 1965.
2579.	Photostatic copy of summary prepared by Mr. Biddell of excerpts from minutes of meetings of directors of Lucayan Marina Limited on January 16, 1964 and July 21, 1965, obtained from Sassoon Banking Company Limited, Nassau.	2589.	Photostatic copy of excerpts from minutes of meeting of directors of San José Construction (Bahamas) Limited September 28, 1965 and November 9, 1964.
2580.	Photostatic copy of minutes of meeting of directors of Lucayan Marina Limited July 21, 1965, obtained from Sassoon Banking Company Limited, Nassau.	2590.	Photostatic copy of excerpts from minutes of shareholders' meetings of Daylite of Grand Bahama Company Limited August 30 and December 3, 1963, March 16, March 30 and September 12, 1964.
2581.	Photostatic copy of excerpts from minutes of shareholders' meeting of Lucaya Apartments Limited February 16, 1965, obtained from Sassoon Banking Company Limited, Nassau.	2591.	Photostatic copy of excerpts from the minutes of meeting of board of directors of Daylite of Grand Bahama Company Limited August 30, 1963 and March 30, 1964.
2582.	Photostatic copy of excerpts of minutes of meetings of directors of Lucaya Apartments Limited, February 16, April 21, May 8 and July 21, 1965.	2592.	List of 25 files received from Messrs. Salter, Reilly, Jamieson & Apple (Exhibits 2593 to 2617).
2583.	Photostatic copy of minutes of meeting of board of directors of Lucaya Apartments Limited, July 21, 1965, obtained from Sassoon Banking Company Limited, Nassau.	2593.	File No. 112-6, Five Wheels Ltd. —Original executed documents November, 1962 and January, 1963.
2584.	Photostatic copy of excerpts of shareholders' annual meetings of August 16, 1963 and August 17, 1964 and extraordinary general meetings of January 19 and February 2, 1965 of Bell Channel Villas and Marina Company Limited formerly Lucayan Village Company Limited.	2594.	File No. 112-1, Five Wheels Limited — Correspondence March 1, 1963.
2585.	Photostatic copy of excerpts of minutes of meetings of directors of Bell Channel Villas and Marina Company Limited August 16 and December 31, 1963, and February 5, February 25 and July 21, 1965.	2595.	File No. 3-Y-8, Five Wheels Limited, Correspondence, January 1, 1964—30 June, 1964.
2586.	Photostatic copy of Minutes of meeting of board of directors of Bell Channel Villas and Marina Company Limited, July 21, 1965, obtained from Sassoon Banking Company Limited, Nassau.	2596.	File No. 3-Y-9, Five Wheels Limited, Correspondence, July 1st, 1964—December 30, 1964.
2587.	Photostatic copy of excerpts from minutes of shareholders annual general meetings of February 5 and July 9, 1965 of L.B.H. Management Company Limited.	2597.	File No. 3-Y-26, Five Wheels of Grand Bahama Ltd., May 1, 1963.
		2598.	File No. 112-11, Molly Corporation — Correspondence, October 25, 1963.
		2599.	File No. 98-32, Molly Corporation —May 8, 1962.
		2600.	File No. 98-33, Molly Corporation —Correspondence, September 1, 1963.
		2601.	File No. 3-H-31, Molly Corporation of Canada Ltd., Incorporation October, 1963.
		2602.	File No. 112-12, Molly Corporation of Canada Ltd., Correspondence—January, 1964.
		2603.	File No. 3-B-16, Molly Corporation Corporation — Filing, prospectus with Ontario Securities Commission (Sept. '63).

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2604.	File No. 3-B-15, Molly Corporation — Documents for shareholders' perusal.	2620.	Copies of minutes of meetings of shareholders and directors of The Lucayan Village Company Limited obtained from Salter, Reilly, Jamieson & Apple.
2605.	File No. 3-B-17, Molly Corporation — Documents, August, 1963.	2621.	Book entitled "The Lucayan Beach Hotel Company Limited Volume No. 1" containing copies of memoranda of association, copies of contracts, agreements and other documents from November 14, 1963 to February 24, 1964, for Lucayan Beach Hotel Company Limited and The Lucayan Village Company Limited.
2606.	File No. 3-Z-9, St. Lawrence Industries Inc., Correspondence August 1962.	2622.	Book entitled "The Lucayan Beach Hotel Company Limited Volume No. 2" containing copies of documents and agreements from April 22, 1964 to May 29, 1964 for Lucayan Beach Hotel Company Limited and The Lucayan Village Company Limited.
2607.	File No. 112-13, St. Lawrence Industries Inc., re: Louis Chesler October, 1961.	2623.	Envelope containing copies of correspondence, financial statements and documents relating to The Lucayan Beach Hotel Company Limited, from Perlmutter, Orenstein, Giddens, Newman and Kofman, Chartered Accountants.
2608.	File No. 3-Z-10, St. Lawrence Industries Inc., January, 1963.	2624.	File entitled "Lucayan Beach (Hotel) Company Limited — Current" containing documents referring to Lucayan Beach Hotel Company Limited, Adobe International Supply Limited and Freeport International Company Limited, from Perlmutter, Orenstein, Giddens, Newman and Kofman.
2609.	File No. 3-S-3, The Lucayan Beach Hotel Co. Ltd., miscellaneous documents current.	2610.1	Financial statement prepared by Perlmutter, Orenstein, Giddens, Newman and Kofman for the period from March 11, 1961 to October 1, 1963 of Freeport International Company Limited from file of Salter, Reilly, Jamieson & Apple.
2610.	File No. 3-S-5, The Lucayan Beach Hotel Co. Ltd., miscellaneous documents file #1.	2623.1	Carbon copy of financial statement as at June 30, 1963, of Adobe International Supply Limited, prepared by W. R. McLeod, Chartered Accountant, Nassau, Bahamas.
2611.	File No. 3-S-8, Lucayan Marinas Limited re: Five Wheels — Purchase of Marina, January, 1964.	2625.	Copy of unaudited financial statement as at September 30, 1965, of Lucayan Beach Hotel and Development Limited prepared by Price, Waterhouse, Nassau, Bahamas and obtained from the Clarkson Company Limited.
2612.	File No. 3-S-9, Lucayan Village Company Limited, construction of motel in Bahamas, August, 1963.		
2613.	File No. 3-S-10, The Lucayan Beach Hotel, correspondence, October—December 31, 1963.		
2614.	File No. 3-S-11, The Lucayan Beach Hotel Co. Ltd., correspondence January 1, 1964 — April 30, 1964.		
2615.	File No. 3-S-12, The Lucayan Beach Hotel Co. Ltd., general correspondence May 1, 1964 — May 15, 1964.		
2616.	File No. 3-S-13, The Lucayan Beach Hotel Co. Ltd., correspondence May 16, 1964 — May 31, 1964.		
2617.	File No. 3-S-14, The Lucayan Beach Hotel Co. Ltd., correspondence, June 2, 1964—December 31, 1964.		
2618.	Copies of minutes of meetings of directors of Lucayan Beach Hotel Company Limited obtained from Salter, Reilly, Jamieson & Apple.		
2619.	Copies of minutes of meetings of shareholders of Lucayan Beach Hotel Company Limited obtained from Salter, Reilly, Jamieson & Apple.		

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2623.2	Consolidated balance sheet and pro forma consolidated balance sheet as at January 31, 1964, Lucayan Beach Hotel Company Limited, prepared by Price, Waterhouse and Company, Chartered Accountants, Nassau, Bahamas, from the files of Perlmutter, Orenstein.		the transfer agents of the Lucayan Beach Hotel Company, Five Wheels Limited and Molly Corporation of Canada Limited.
2610.2	Draft pro forma financial statements of the The Lucayan Beach Hotel Company Limited for October 28, November 11, November 20, and December 15, 1963, from files of Salter, Reilly.	2628.	Transfer agent's records relating to Five Wheels Limited from offices of Crown Trust Company.
2610.3	Consolidated balance sheet and pro forma consolidated balance sheet for The Lucayan Beach Hotel Company and wholly-owned subsidiary, as at January 31, 1964 from files of Salter, Reilly.	2629.	Transfer agent's records relating to Molly Corporation of Canada Limited, from offices of Crown Trust Company, Toronto.
2610.4	Balance sheet of The Lucayan Village Company Limited as at January 31, 1964 (In U.S. dollars) from files of Salter, Reilly.	2630.	Copy of a prospectus of Five Wheels Limited, dated January 28, 1963 with reference to a new issue of 100,000 common shares, obtained from Guaranty Trust Company.
2623.3	Annual report for 1963 of Five Wheels Limited, including balance sheet as at December 31, 1963, audited by firms, E. M. Sprackman, Siderson & Co., Chartered Accountants, and Perlmutter, Orenstein, Giddens, Newman and Kofman, Chartered Accountants, from Perlmutter files.	2631.	File containing underwriting account of L. J. West & Company Limited of Five Wheels Limited issue, and related accounts and banking documents, obtained from Guaranty Trust Company.
2626.	Photostatic copy of audited financial statement of Five Wheels Limited on consolidated basis for year ended December 31, 1965, audited and certified by E. M. Sprackman, Siderson & Company from the offices of Five Wheels Limited.	2632.	Copy of letter to Chairman and President, Berks County Trust Company, dated May 16, 1963, from L. J. West & Company Limited, referring to the share issue and subsequent status of the Five Wheels shares obtained from Guaranty Trust Company.
2623.4	Carbon copy of financial statement of Five Wheels of Grand Bahama Limited as at October 31, 1964 prepared by Price, Waterhouse & Company, Chartered Accountants, Freeport, Grand Bahama from files of Perlmutter, Orenstein.	2633.	File entitled "Applications" containing letters re: sale of Five Wheels Limited shares to subscribers to the issue obtained from Guaranty Trust Company.
1078.1	Photostatic copy of report to shareholders and audited financial statement of Daylite of Grand Bahama Company Limited prepared by Walton, Wagman & Co. from office of Walton, Wagman & Co.	2634.	File entitled "Letters" containing letters re: underwriting and sale of Five Wheels Limited shares obtained from Guaranty Trust Company.
2627.	Transfer agent's records relating to The Lucayan Beach Hotel Co. Ltd. obtained from offices of Crown Trust Company, Toronto, who were	2635.	File containing underwriting account of L. J. West & Company Limited of Molly Corporation of Canada Limited issue and related documents obtained from Guaranty Trust Company.
		2636.	File containing underwriting agreement and sundry correspondence in relation to underwriting of Molly Corporation of Canada Limited, obtained from the offices of E. T. Lynch and Company.
		2637.	File containing underwriting account of E. T. Lynch and Company of Molly Corporation of Canada Limited and related customers' accounts.



<i>Exhibit No.</i>	<i>Description</i>
2638.	File obtained from offices of Barrett, Goodfellow entitled "Lucayan Beach Hotel Company 1964" containing agreements, correspondence and shareholder listings relating to the issue of Lucayan Beach Shares.
2639.	Brochure "Lucaya Today" containing architect's drawing of proposed venture in Bahamas.
2640.	Copy of filing statement filed with the Toronto Stock Exchange, August 29, 1961 by Seven Arts Productions Limited.
2641.	Schedule prepared by Mr. Burn entitled "The Atlantic Group and its Debtors — Loans and Investment Involvement in the Lucayan Venture, (not including Interest Accruals on Loans), From June 30, 1963 to June 17, 1965".
2642.	Schedule prepared by Mr. Burn entitled "Lucayan Beach Hotel Company Limited, Capitalization of The Company at Original Issue Dates to June 17, 1965" showing how much Atlantic money found its way into Lucayan Beach Complex for the purpose of purchasing shares from the treasury of Lucayan Beach Hotel Company Limited.
2643.*	Schedule prepared by Mr. Burn entitled "Lucayan Beach Hotel and Development Limited, Acquisition of Shares by Montreal Trust Company July and August, 1965".
2623.5	Unsigned memorandum, dated September 3, 1963, entitled "Memorandum for File, Re: Five Wheels of Grand Bahama Limited" outlining costs re: Development of Marina from files of Perlmutter, Orenstein.
2623.6	Photocopy of Agreement, dated 9 April, 1964, between Five Wheels Limited, Daylite of Grand Bahama Company Limited and Five Wheels of Grand Bahama Limited relating to construction of the Marina.
2597.1	Photostatic copies of letters of intent from the files of Salter, Reilly dated 7 August, 1963, and 7 September, 1963 between Grand Bahama Development Company Limited relating to the Marina.
2611.1	Photostatic copy of unsigned letter of agreement from the files of Salter, Reilly, dated January 28, 1964, between Five Wheels Limited,

<i>Exhibit No.</i>	<i>Description</i>
	Five Wheels of Grand Bahama Limited and Daylite of Grand Bahama Company Limited by which Five Wheels Limited transfers to Daylite all rights pertaining to construction and operation of the Marina.
2611.2	Copy of memorandum from the files of Salter, Reilly entitled "Five Wheels Limited, Advances to Five Wheels of Grand Bahama Limited as at 31 December, 1963".
2623.7	Photostatic copy of signed agreement from the files of Perlmutter, Orenstein, dated 30 May, 1963, between Grand Bahama Development Company Limited as vendor and Adobe International Supply Limited and Freeport International Company Limited as purchasers by which the vendor grants an option on deposit of \$300,000 U.S. to the purchasers to buy the Lucayan Beach Hotel for \$6,500,000 U.S. on completion of construction.
2638.8	Photostatic copy of agreement from the files of Perlmutter, Orenstein, dated 14 November, 1963, by which the option obtained by Adobe International Supply Limited and Freeport International Company Limited re: Lucayan Beach Hotel is assigned to Lucayan Beach Hotel Company Limited and purchase price is increased to \$6,700,000 on expenditure of additional \$200,000 by Grand Bahama Development Company Limited on Hotel.
2799.	Chart entitled "The Manus Group of Companies Corporate Structure Chart at June 17, 1965", prepared by Mr. Burn re: the relationship between the Lucayan Beach Hotel Company Limited, Adobe International Supply Limited, Freeport International Company Limited and other companies connected therewith.
2629.1	Photostatic copy of letter obtained from Crown Trust Company dated October 1, 1963, addressed to Crown Trust Company, from St. Lawrence Industries Inc., authorizing distribution of Molly Corporation shares to attached list of shareholders of St. Lawrence Industries.

\*To this point there had been 148 Exhibits entered into evidence which were sub-divisions of existing Exhibits. In order to reflect the true total of Exhibits filed, that amount is now added to the last Exhibit number and after each subsequent sub-division the next full Exhibit number will be cumulative.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2801.	Copy of telegraph message obtained from Bankers Trust Company dated September 30, 1963, addressed to Bankers Trust Company, New York from E. D. Sassoon Banking Company Limited, giving instructions re: delivery of shares of Molly Corporation and St. Lawrence Industries.	2627.1	I.B.M. "run-off" reflecting holdings of various shareholders of Lucayan Beach Hotel Company Limited as at December 31st, 1963, from records of Crown Trust Company.
2629.2	Photostatic copy of letter obtained from Crown Trust Company dated October 16, 1963, from the Bankers Trust Company, New York to the Crown Trust Company, instructing the Crown Trust Company regarding the disposition of the shares of Molly Corporation Limited and stating that the Bankers Trust are acting for E. D. Sassoon Banking Company Limited, Nassau.	2623.9	Carbon copy of letter from files of Perlmutter, Orenstein dated January 23, 1964, from Crown Trust Company to E. D. Sassoon Banking Company Limited and annexed carbon copy of statement of result of the issue of rights to purchase Lucayan Beach Hotel Company Limited Shares.
2803.	Copy of message sent from the Bankers Trust Company, New York to E. D. Sassoon Banking Company Limited enclosing material sent to shareholder of Molly Corporation registered in name of Bankers Trust Nominee, Salkeld and Company.	2613.1	Copy of banking resolution from files of Salter, Reilly dated November, 1963 indicating officers of Saturn International Limited to be Allen S. Manus and Erwin Lane.
2600.1	Photostatic copy of letter dated October 3, 1963, to E. T. Lynch & Co., Toronto, from E. D. Sassoon Banking Company Limited from the records of Salter, Reilly confirming that the 25,000 shares of Molly Corporation held by E. T. Lynch for account of Sassoon Banking Company are held by Sassoon Banking Company on behalf of Freeport International Company Limited.	2624.1	Photostatic copy of accountants' notes from files of Perlmutter, Orenstein of Adobe International Supply Limited and Freeport International Company Limited at Sassoon Bank indicating the source from which Adobe International obtained \$600,000 to pay into Lucayan Beach Hotel.
2805.	Copy of telegram, from the records of Domtor, dated August 21, 1963, signed "Sassigram", which is the Sassoon Banking Corporation addressed to Torbadom, which is the Toronto-Dominion Bank asking for confirmation of receipt of \$25,000 for Sassoon account at Toronto-Dominion Bank from proceeds of E. T. Lynch sale of 25,000 shares of St. Lawrence Industries.	2811.	Schedule prepared by Mr. Burn entitled "Molly Corporation Public Underwriting to Provide Funds to The Lucayan Beach Hotel Company Limited, October 3, 1963" listing names of persons who bought shares and source from which money came.
2806.	Copy of letter from office of Barrett, Goodfellow & Co. dated October 9, 1963, addressed to Messrs. Salter, Reilly, Jamieson & Apple, with attached copy of letter dated October 23, 1963, addressed to Mr. A. A. Amos of Barrett, Goodfellow & Company, from Salter, Reilly, Jamieson & Apple, re: conversion of 12,500 shares of St. Lawrence Industries Inc. in name of C. P. Morgan to shares of Molly Corporation.	2637.1	Photostatic copy of deposit sheet of E. T. Lynch & Company dated November 18, 1963 showing receipts for four purchasers, namely L. D. Arnold, S. Feldman, J. Gross, Dalite Corporation.
		2813.	Photostatic copy of debit slip of Toronto-Dominion Bank, dated October 21, 1963, debiting E. D. Sassoon with \$315,000 shown as having been paid to E. T. Lynch & Company for 20,000 shares Molly Corporation.
		2814.	Photostatic copy of letter dated November 21, 1963, from the Toronto-Dominion Bank to E. D. Sassoon Banking Company Limited advising transactions in shares of Molly Corporation and asking for confirmation of transactions.
		2815.	Schedule entitled "L. J. West & Company", prepared by the Guaranty Trust Company as liquidator of L. J. West & Company Limited,

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- showing that liquidator received money from six different persons between November 20, 1963 and January 8, 1964 for purchase of shares of Molly Corporation.
- 2624.2 Copy of letter from files of Perlmutter, Orenstein, dated April 3, 1964, addressed to Allen Manus, c/o the Sherry Netherlands Hotel, New York City, New York, signed by Jules Koffman of the Perlmutter firm indicating that Molly Corporation did not receive a net sum of \$750,000 from its underwriting.
- 2613.2 Copy of letter from files of Salter, Reilly dated November 21, 1963, addressed to the Royal Bank of Canada, from Salter, Reilly, Jamieson & Apple re: security of first mortgage on realty and assignment of leases to be given to Royal Bank by Lucayan Beach Hotel Company Limited for proposed Loan.
- 2613.3 Handwritten memo from files of Salter, Reilly dated November 19, 1963, headed "Lucayan Beach—\$6,700,000." with note re: attendance at meeting with Manus and Powell Morgan at offices of Royal Trust.
2819. Photostatic copy of letter from office of Walton, Wagman & Co. dated 21 October, 1963, re: purchase of Molly Corporation Shares by Dallas Holdings Limited with attached promissory note dated October 21, 1963 to Dallas Holdings Limited from Allen Manus in amount of \$167,500.
2820. List of directors of Daylite of Grand Bahama Company Limited prepared by Mr. Burn.
2821. General ledger of Daylite of Grand Bahama Company Limited.
2822. Book of original entry, Daylite of Grand Bahama Company Limited.
2823. Agreement from files of C. P. Morgan dated 20 November, 1963, between The Grand Bahama Development Company Limited and Daylite of Grand Bahama Company Limited by which Daylite agrees to buy land from Grand Bahama Development Company for \$100,000 U.S. and to construct thereon 110 housing units.
- 2610.5 Signed agreement from files of Salter, Reilly dated 20 September,

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- 1963, between The Lucayan Village Company Limited and Daylite of Grand Bahama Company Limited by which Daylite agrees to build a 150 unit motel together with convention hall within two months of being given possession of Site and Lucayan Village Company agrees to pay cost of project plus 10 per cent.
- 2610.6 Signed agreement from files of Salter, Reilly dated 5 December, 1963 between The Lucayan Village Company Limited and Daylite of Grand Bahama Company Limited being an amendment of Exhibit 2610.5, changing price of project to \$1,350,000 and date of completion to three months from date of agreement.
2826. Photostatic copy of handwritten memorandum dated December 12, 1963, addressed to Mr. W. P. Gregory, Q.C., signed by C. P. Morgan obtained from the files of British Mortgage & Trust Company making application for short-term loan of \$1,200,000 on behalf of Associated Canadian Holdings Limited.
- 2613.4 Copy of letter from files of Salter, Reilly dated December 21st, 1963, from Grand Bahama Development Company Limited to Lucayan Beach Hotel Company Limited indicating Grand Bahama Development had interest in ensuring that there was \$1,200,000 on deposit free and available to pay for motel.
2828. Carbon copy of letter from files of C. P. Morgan dated April 16, 1964 from Associated Canadian Holdings Limited to Grand Bahama Development Company indicating that sum of \$120,000 on deposit with British Mortgage & Trust Company is to be used for construction of motel and not to be released to Lucayan Beach Hotel Company for general corporate purposes.
2829. Cheque, dated January 12, 1964, in amount of \$1,200,000, to Lucayan Beach Hotel Company Limited from Associated Canadian Holdings Limited paying for subscription for shares.
2830. Ledger card obtained from British Mortgage & Trust Company with respect to Lucayan Beach Hotel Company Limited, account no. 10001.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2831.	Cheque obtained from British Mortgage & Trust Company dated December 20, 1963, from Lucayan Beach Hotel Company Limited signed by A. S. Manus, President, in amount of \$1,200,000. payable to British Mortgage & Trust Company.	2838.	Letter from the files of British Mortgage & Trust Company, dated 10 February, 1964, to British Mortgage & Trust Company from Price, Waterhouse & Co., Nassau, Bahamas with attached printed form marked "Duplicate" addressed to Price, Waterhouse re: The Lucayan Beach Hotel Company Limited.
2832.	Deposit receipt no. 4216 from British Mortgage & Trust Company to Lucayan Beach Hotel Company Limited dated 16 January, 1964, in the amount of \$1,200,000 obtained from British Mortgage & Trust Company.	2839.	Carbon copy of letter from files of British Mortgage & Trust dated February 20, 1964, to Price, Waterhouse & Co. from British Mortgage & Trust Company enclosing certificate concerning deposit re: Lucayan Beach Hotel Company Limited.
2833.	Assignment dated 15 January, 1964, executed on behalf of Associated Canadian Holdings Limited of deposit receipt for \$1,200,000 and 100,000 shares of Lucayan Beach Hotel Company Limited as security for obligations of Associated Canadian Holdings to British Mortgage & Trust Company.	2840.	Copy of letter from files of British Mortgage & Trust dated January 16, 1964, to The Lucayan Beach Hotel Company Limited from British Mortgage & Trust stating terms on which British Mortgage & Trust hold deposit receipt no. 4216 in amount of \$1,200,000.
2834.	Assignment obtained from British Mortgage & Trust Company dated December 23, 1963, signed for Lucayan Beach Hotel Company Limited by A. S. Manus by which Lucayan Beach Hotel Assigns to British Mortgage & Trust Deposit Receipt for \$1,200,000 to be used as collateral for \$1,200,000 loan to Associated Canadian Holdings.	2841.	Copy of letter from files of British Mortgage & Trust dated April 3, 1964, to The Lucayan Beach Hotel Company Limited from British Mortgage & Trust stating terms on which British Mortgage & Trust hold deposit receipt no. 6928 in amount of \$1,210,126.10.
2835.	Note, dated January 15, 1964, payable to British Mortgage & Trust Company from Associated Canadian Holdings Limited, in the amount of \$1,200,000 signed by Jack Tramiel, President and H. Wagman.	2842.	Copy of note dated January 2, 1964, to Aurora Leasing Corporation Limited, in the amount of \$1,540,000 from Freeport International Company Limited signed by Allen S. Manus and the personal guarantee of Allen S. Manus with attached letter to Aurora Leasing from Freeport International Company enclosing 250,000 escrowed shares of Lucayan Beach Hotel Company Limited as collateral security for loan of \$1,540,000.
2836.	Deposit receipt no. 6928 from British Mortgage & Trust Company to Lucayan Beach Hotel Company Limited, for \$1,210,126.10 obtained from British Mortgage & Trust Company.	2843.	Letter marked "Personal and Confidential" from file of C. P. Morgan dated 12 March, 1964, addressed to C. Powell Morgan from E. D. Sassoon Banking Company Limited agreeing to advance \$250,000 to C. P. Morgan to buy 250,000 shares of Lucayan Beach Hotel.
2837.	Copy of memorandum from files of British Mortgage & Trust Company dated March 23, 1964, to W. P. Gregory from G. R. C. Wilson, Savings Manager of British Mortgage & Trust; copy of memorandum to W. P. Gregory from G. R. C. Wilson also dated March 23, 1964; copy of letter, dated March 26, 1964, to C. Powell Morgan from G. R. C. Wilson re: deposit receipt no. 4216 for \$1,200,000.	2844.	Photostatic copy of letter dated 29 September, 1964, addressed to Eugene Last, Daylite of Grand Bahama Company Limited from the Grand Bahama Development Company Limited found in the files of C. P. Morgan re the cost of



<i>Exhibit No.</i>	<i>Description</i>
	the hotel as alleged by Grand Bahama Development Company Limited.
2845.	Copy of memorandum dated 1 November, 1962, addressed to Daylite Corporation (Canada) Limited, signed by C. Powell Morgan as beneficial owner of shares of Daylite, agreeing to appointment of Glick & Levine as auditors of the Company to replace Walton, Wagman & Company.
2597.2	Carbon copy of letter from files of Salter, Reilly, dated March 31, 1965, to Mr. Maxwell S. King, Five Wheels Limited from W. Ralph Salter re: Mr. Morgan's suggestion to Five Wheels that payments required to be made by Daylite of Grand Bahama for the Marina should be extended into the future instead of being paid in August and December 1964 and March of 1965.
2610.7	Copy of an agreement from files of Salter, Reilly dated 26 May, 1964, between The Lucayan Beach Hotel Company Limited and The Grand Bahama Development Company Limited and attached correspondence by which Grand Bahama Development Company agrees to accept a promissory note in the amount of \$250,000 U.S. from Daylite of Grand Bahama in settlement of indebtedness of Lucayan Beach Hotel Company.
2848.	Photostatic copy of document purporting to be general ledger of The Lucayan Beach Hotel Company Limited obtained from the receiver.
2623.10	Copy of release from files of Perlmutter, Orenstein, dated June 3, 1964, bearing signature of E. Last, President, Daylite of Grand Bahama Company Limited acknowledging that Daylite of Grand Bahama has no claim on the Lucayan Beach Hotel Company in respect of \$250,000 U.S. which Daylite has promised to pay Grand Bahama Development Company Limited.
2624.3	From files of Perlmutter, Orenstein, copy of document entitled "Lucayan Beach Hotel Company Limited Trial Balance as at 30th January, 1964" prepared by the Sassoon Banking Company.

<i>Exhibit No.</i>	<i>Description</i>
2852.	Carbon copy of letter from files of British Mortgage & Trust Company dated December 17, 1963, addressed to C. P. Morgan, marked "Personal", from British Mortgage & Trust Company informing of approval of a loan of \$1,200,000 to Associated Canadian Holdings Limited.
2638.1	Handwritten listing from files of Barrett, Goodfellow giving names of persons, firms or companies purchasing shares in the public issue of 300,000 shares of Lucayan Beach Hotel Company.
2638.2	Signed carbon copy of an agreement from files of Barrett, Goodfellow dated 29 May, 1964, between Associated Canadian Holdings Limited and Barrett, Goodfellow & Co. by which Associated Canadian Holdings appoints Barrett, Goodfellow its agent to sell to the public 200,000 shares of Lucayan Beach Hotel company stock at a price of \$6.50 per share.
2638.3	Four confirmation notices from file of Barrett, Goodfellow dated July 16, 1964, addressed to Associated Canadian Holdings Limited from Barrett, Goodfellow & Co. confirming sale of 200,000 shares of Lucayan Beach Hotel Company on behalf of Associated Canadian Holdings Limited.
2855.	Cheque in the amount of \$1,210,000 dated July 15, 1964, drawn on Canadian Imperial Bank of Commerce, payable to the order of Canadian Imperial Bank of Commerce by Aurora Leasing Corporation Limited, signed J. C. Laidlaw, President, W. E. Pahn, Secretary-Treasurer.
2638.4	Credit slip from files of Barrett, Goodfellow in favour of Sassoon Banking Company for \$1,210,000, and Confirmation of purchase by E. D. Sassoon Banking Company Limited of 200,000 shares of Lucayan Beach Hotel for a consideration of \$1,210,000.
2857.	Copy of ledger sheet of Barrett, Goodfellow account no. T89242-660900 in name of Sassoon Banking Company showing a credit of \$1,210,000 on July 15, 1964, and on July 20, 1964, a debit of \$1,210,000 for purchase of 200,000 shares of Lucayan Beach Hotel Company Limited.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2858.	Certified cheque from records of British Mortgage & Trust Company dated July 14, 1964 for \$1,200,000, drawn on British Mortgage & Trust Company in favour of Daylite of Grand Bahama Company Limited and signed for The Lucayan Beach Hotel Company Limited by Allen S. Manus.	2865.	Photostatic copy of letter dated April 7, 1964, from Barclays Bank, Nassau, to Mr. Powell Morgan, Daylite Corporation (Canada) Limited, Toronto re: loan to Daylite of Grand Bahama Company Limited.
2859.	Ledger card of British Mortgage & Trust Company for account no. DR 124, Lucayan Beach Hotel Company, showing withdrawal of \$1,200,000 on July 15, 1964, leaving balance of \$20,443.03.	2866.	Photostatic copy of ledger card of Barclays Bank in the name of Daylite of Grand Bahama Company Limited showing advance of £100,000 in July 1964.
2860.	Copy of ledger cards of Bank of Nova Scotia for account no. 5160 for Daylite of Grand Bahama Company Limited showing deposit and withdrawal of \$1,200,000 on same day—July 15, 1964.	2867.	Copy of memorandum from files of C. P. Morgan dated December 15, 1964, being summary of advances to and payments on behalf of Lucayan Beach Hotel, made by Daylite of Grand Bahama Company Limited.
2861.	Copy of delivery slip from files of Barrett, Goodfellow dated 26 August, 1964 acknowledging receipt by Mr. Harry Wagman of the 200,000 shares of Lucayan Beach Hotel Company Limited sold by Associated Canadian Holdings Limited to E. D. Sassoon Banking Company Limited.	1074.1	Cheque from office of Wagman Fruitman & Lando dated June 22, 1964 in amount of \$304,050 from Lucayan Beach Hotel Company to Daylite of Grand Bahama Company Limited drawn on British Mortgage & Trust Company but not negotiated.
2862.	Copy of letter from files of Barrett, Goodfellow dated 8 September, 1963, from E. D. Sassoon Banking Company Limited to Messrs. Barrett, Goodfellow & Co. and copy of a reply from Barrett, Goodfellow dated September 16, 1964 re the sale of 200,000 shares to E. D. Sassoon by Associated Canadian Holdings.	1074.2	Cheque from office of Wagman, Fruitman & Lando dated July 22, 1964, in amount of \$36,250 U.S. from Lucayan Beach Hotel Company Limited to Daylite of Grand Bahama Company Limited drawn on British Mortgage & Trust Company but not negotiated.
2638.5	Cancelled cheque from files of Barrett, Goodfellow dated July 21, 1964 in the amount of \$33,333.33 payable to McLean, Campbell, Rogers, Lyons & Kerr from Barrett, Goodfellow & Co.	1074.3	Cheque from office of Wagman, Fruitman & Lando dated August 3, 1964, in the amount of \$15,075.45, U.S. from Lucayan Beach Hotel Company Limited to Daylite of Grand Bahama Company Limited drawn on British Mortgage & Trust Company but not negotiated.
2638.6	Copy of letter from files of Barrett, Goodfellow to McLean, Campbell, Rogers, Lyons & Kerr, dated July 21, 1964 from Barrett, Goodfellow & Co.; letter dated July 22, 1964, addressed to Barrett, Goodfellow & Co. and signed for N.G.K. Investments by C. P. Morgan, President acknowledging receipt of cheque for \$33,333.33 from McLean, Campbell, Rogers, Lyons & Kerr covering finder's fee due to N.G.K. Investments in connection with public offering of shares of Lucayan Beach Hotel Company.	1074.4	Cheque from office of Wagman, Fruitman & Lando dated September 19, 1964, in the amount of \$20,000, U.S. from Lucayan Beach Hotel Company Limited to Daylite of Grand Bahama Company Limited drawn on British Mortgage & Trust Company but not negotiated.
		726.1	Handwritten balance sheet, from office of Wagman, Fruitman & Lando, of Masco Construction Company Limited, as at July 31, 1964.
		2873.	Duplicate deposit book of Masco Construction Company, from the records of the receiver of the Company, which shows a deposit of \$100,000 by W. R. Salter of

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- Salter, Reilly on October 13, 1963 in favour of Masco Construction Company Limited.
- 2612.1 Handwritten memo from files of Salter, Reilly dated August 19, 1963, setting out instructions for incorporation of a company described as Marr Construction Limited.
- 2612.2 Handwritten memo from files of Salter, Reilly dated August 21, 1963 relating to a conversation with C. Powell Morgan re: cheque from Radomski for \$50,000 to help incorporate Marr Construction Limited.
- 2612.3 Typed memo from files of Salter, Reilly dated August 21, 1963, with two cheques attached, dated August 19, 1963, one being apparently signed by Z. Radomski payable to Salter, Reilly, Jamieson and Apple in the amount of \$50,000 and the second one payable to Salter, Reilly, Jamieson and Apple in amount of \$50,000 Canadian, signed by the Lucayan Beach Hotel Company Limited by Allen S. Manus as President.
- 2612.4 Handwritten memo from files of Salter, Reilly dated August 22, 1963 re: incorporation of Marr Construction Limited and notation re: cheque for \$50,000 from E. T. Lynch & Company.
- 2612.5 Letter from files of Salter, Reilly dated September 6, 1963, from E. T. Lynch & Company to Salter, Reilly, Jamieson and Apple, enclosing cheque for \$50,000 with attached voucher section of cheque relating to account no. 24-2010-7.
- 2637.2 Copy of ledger account of E. T. Lynch & Company carrying designation 24-2010-7, in the name of Ocean Holdings Company Limited, c/o Peter D. Graham, Nassau, Bahamas.
2880. Copy of an option letter from the offices of Walton, Wagman & Co. dated October 21, 1963, signed for Ocean Holdings Limited by Allen S. Manus, President, by which Ocean Holdings gives an option to C. P. Morgan, W. L. Walton and H. Wagman to purchase 10,000 Shares of Molly Corporation at \$15 per share and 10,000 shares of Lucayan Beach Hotel at \$1 per Share.

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2881. Guaranty Trust Company of Canada, cheque book of Trio Account no. 13324.
- 2624.4 Photostatic copy of handwritten balance sheet of Lucayan Beach Hotel Company Limited as at January 31, 1964, being a working paper of Perlmutter, Orenstein.
- 2623.11 Letter from files of Perlmutter, Orenstein dated September 22, 1964, to Jules Kofman of the firm of Perlmutter, Orenstein from Price, Waterhouse & Co., Nassau, Bahamas and attached copy of reply from Jules Kofman dated September 25, 1964, re: transaction of Masco Construction Company Limited.
- 2596.1 Handwritten memorandum dated September 1, 1964, from the files of Salter, Reilly, of notes on telephone conversation with Mr. Shelman, re: attempt to finance Lucayan Beach Hotel.
2885. Cancelled cheque, dated January 31, 1964 in amount of \$410,400, to Daylite of Grand Bahama Company Limited, from Masco Construction Company Limited signed by N. Saunders and H. Wagman.
2886. Cancelled cheque dated March 9, 1964 in amount of \$342,000, to Daylite of Grand Bahama Company Limited from Masco Construction Limited signed by N. Saunders and H. Wagman.
2887. Photostatic copy of two ledger sheets of Commodore Sales Acceptance Limited with respect to loans to Masco Construction Company Limited.
2888. Photostatic copy of two ledger sheets from collateral ledger, Commodore Sales Acceptance Limited relating to Masco Construction Company Limited.
2889. Bundle of sixty notes, of a face value of \$1,500 U.S. each, to Masco Construction Company Limited from Daylite of Grand Bahama Company Limited signed by E. Last, the first one being due on February 15, 1964 and the last one payable on January 15, 1969.
- 2624.5 Photostatic copy of unaudited financial statement from files of Perlmutter, Orenstein for the period January 1, 1964, to April 30, 1964 for the Lucayan Beach Hotel Company Limited prepared by Horwath & Horwath.

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2891.	Copy of letter from Mr. Morgan's files dated January 27, 1965, to Lucayan Beach Hotel Company Limited, attention Allen S. Manus from Grand Bahama Development Company Limited re: manner in which the hotel was being operated.		Trans Commercial Acceptance Limited.
2892.	Carbon copy of letter marked "Private & Confidential" obtained from files of H. Wagman dated November 10, 1964, addressed to C. P. Morgan, signed "Bob" re: progress in construction of various parts of Lucayan Beach Hotel complex.	2900.	Promissory note, dated May 28, 1965, payable to Trans Commercial Acceptance Limited in amount of \$2,108.47 from L. B. H. Management Company Limited signed by J. Tramiel.
2893.	Copy of contract obtained from records of Receiver dated March 6, 1965, between Lucayan Beach Hotel Company Limited and L. B. H. Management Company Limited in which Lucayan Beach Hotel Company Limited represents that it owns the Lucayan Beach Hotel and now rents the hotel to L. B. H. Management Company Limited for a term of 8 years and 10 months.	2901.	Promissory note dated June 2, 1965, payable to Trans Commercial Acceptance Limited in amount of \$100,000 from L. B. H. Management Company Limited, signed by Thomas J. Muller and R. W. Pollock.
2894.	Deposit slip of British Mortgage & Trust Company dated April 30, 1965, showing deposit to account no. 10050, L. B. H. Management Company Limited in the amount of \$542,000 (Canadian).	2902.	Cheque, dated May 31, 1965, payable to Bank of Nova Scotia in amount of \$100,000 from Trans Commercial Acceptance Limited signed by Martha Prokoph and F. S. Draper, with notation on back that amount has been deposited to credit of payee who is Bank of Nova Scotia and a wire sent to Bahamas for credit of L. B. H. Management Company Limited.
2895.	Ledger account of British Mortgage & Trust for account no. 10050, L. B. H. Management Company Limited.	2903.	Invoices of Kuehne and Nagel (Canada) Limited, Travel Agency, to L. B. H. Management Company Limited in amount of \$835.40.
2896.	Cheque, undated, in favour of Lucayan Beach Hotel Company Limited drawn on British Mortgage & Trust Company in amount of \$540,000, Canadian signed for L. B. H. Management Company Limited by J. Tramiel.	1098.1	Copy of report from office of Wagman, Fruitman & Lando, dated 18 May, 1965, to J. Tramiel and C. P. Morgan from R. W. Robertson, Comptroller, Lucayan Beach Hotel being a survey of the management and operations of the hotel.
2897.	Ledger card for account no. 10001 in name of Lucayan Beach Hotel Company Limited at British Mortgage & Trust Company from April 30, 1965 forward showing a deposit of \$540,000 on April 30, 1965.	2905.	Copies of nine letters bearing dates between October 14, 1964 and January 29, 1965, all addressed to Barrett, Goodfellow & Company and signed by C. P. Morgan giving instructions to Barrett, Goodfellow to issue cheques on Mr. Morgan's account to Daylite of Grand Bahama Company Limited for a total amount of \$222,500.
2898.	Promissory note, dated April 22, 1965, in the amount of \$80,000 U.S. made to order of Trans Commercial Acceptance Limited by L. B. H. Management Company Limited signed by Thomas J. Muller and R. W. Pollock.	2906.	Copies of certified cheque vouchers of the Bank of Nova Scotia re: Deposits from June 26, 1964 to July 6, 1965 to account of Daylite of Grand Bahama Company Limited of cheques from C. P. Morgan and other sources which were withdrawn the same day as deposited.
2899.	Cheque drawn on Bank of Nova Scotia dated May 3, 1965, and payable to Bank of Nova Scotia in amount of \$86,425 Canadian from	2907.	Schedule prepared by Mr. Burn entitled "Commodore Sales Acceptance Limited, Dalite Corporation (Canada) Limited Account from 1961 inception to July 31, 1965".



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2908. Copy of an agreement dated 10 April, 1965, between Daylite of Grand Bahama Company Limited signed by Jack Tramiel, Vice-President and Lucayan Beach Hotel and Development Limited signed by Allen S. Manus, President, by which Daylite of Grand Bahama agrees to sell to Lucayan Beach Hotel and Development the Marina and the 150 Apartments for \$3,880,000. U.S.
2909. Copy of undated letter addressed to Crown Trust Company, Toronto from Lucayan Beach Hotel and Development Limited, Nassau, Bahamas, signed by Allen S. Manus as President, being a direction to Crown Trust as transfer agent to issue 1,250,000 shares of par value of 5 shillings each of Lucayan Beach Hotel and Development Limited to Hugo Oppenheim U. Sohn Nachf. or their nominees.
2910. Copy of letter dated June 7, 1965, addressed to Hugo Oppenheim U. Sohn Nachf, Berlin, signed G. W. Fern, Manager of Transfer Department of Crown Trust Company confirming instructions from Lucayan Beach Hotel and Development Limited to issue 1,250,000 shares of the company to Hugo Oppenheim.
2911. Deposit slip of British Mortgage & Trust Company dated April 30, 1965, showing a deposit in amount of \$3,780,000 to the credit of Hugo Oppenheimbank & Sohn Nachf. account no. 4300.
2912. Undated cheque from files of British Mortgage & Trust Company, in amount of \$3,780,000 payable to Lucayan Beach Hotel and Development Limited, signed by Hugo Oppenheim & Sohn Nachf.
2913. Copy of list of authorized signatures of Hugo Oppenheim & Sohn Nachf., Berlin, dated 20th May, 1966 obtained from Victoria and Grey Trust Company.
2914. Copy of deed of release obtained from the trustee dated 10 April, 1965 by which Daylite of Grand Bahama Company Limited in consideration of payment of \$500,000 U.S. releases Lucayan Beach Hotel and Development Limited from all Indebtedness except obligations incurred in purchase and sale agreement re: marina and apartments.

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2915. Schedule prepared by Mr. Burn entitled "Lucayan Beach Hotel and Development Limited, Analysis of Acquisition of Assets from Inception, July, 1963 to September 30, 1965".
2916. Copy of report obtained from the receiver dated December 14, 1965 entitled "The Lucayan Beach Hotel and Development Limited. Report of The Directors to Shareholders", signed by Mr. Allison, Vice-President of Montreal Trust Company.
2917. Photostatic copy of statement of affairs obtained from the receiver in the matter of the bankruptcy of Dalite Corporation (Canada) Limited dated September 14, 1965.
2918. Copy of banking resolution, dated January 28, 1964, of directors of Daylite of Grand Bahama Company Limited on printed form of Bank of Nova Scotia and attached letter certifying that officers of Daylite of Grand Bahama Company Limited are Eugene Last, Nathan Saunders and Harry Wagman.
2919. Report of Montreal Trust Company entitled "Atlantic Acceptance Corporation Limited, Report of Receiver and Manager, August 3, 1966".
2920. Financial statements as at December 31, 1965, of Atlantic Acceptance Corporation Limited in receivership.
2921. Volume entitled Commodore Factors Limited, corporate records.
2922. Folder entitled "Dalite Corporation (Canada) Limited" containing working papers for Dalite Furniture & Store Fixtures Company Limited for the year ends July 31, 1957, 1958 and 1959 from office of Glick & Levine.
2923. Folder entitled "Current Dalite Corporation Limited" containing working papers in connection with financial statements produced for the company for the years ending July 31, 1960, July 31, 1961, and for the period August 1, 1962, to December 31, 1962 from office of Glick & Levine.
2924. Folder entitled "Dalite" containing material in connection with Dalite Corporation (Canada) Limited, for the year ending July 31, 1962, from office of Glick & Levine.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2925.	Folder entitled "Dalite Furniture Store Fixtures" containing duplicate copies of tax returns and other financial material with reference to the personal financial affairs of Eugene Last.	2936.	Folder entitled "Dalite Corporation (Canada) Limited, re: Receivership, No. D-4332", from office of Roberts, Archibald, Seagram & Cole.
2926.	Folder entitled "Dalite Furniture & Store Fixtures Company Limited, collections, D-4303", from office of Roberts, Archibald, Seagram & Cole.	2937.	Folder entitled "Eugene Last, re: Canada Permanent Mortgage on 300 Dwight Avenue, No. L6301", from office of Roberts, Archibald, Seagram & Cole.
2927.	Folder entitled "Dalite Furniture & Store Fixtures Company Limited, re: company matters D-4304", from office of Roberts, Archibald, Seagram & Cole.	2938.	Folder entitled "Eugene Last, personal matters, No. L6304", from office of Roberts, Archibald, Seagram & Cole.
2928.	Folder entitled "Dalite Corporation (Canada) Limited, re: Pollock, No. D-4311", from office of Roberts, Archibald, Seagram & Cole.	2939.	Folder entitled "Eugene Last, re: Commodore Sales Acceptance Limited, No. L6309", from office of Roberts, Archibald, Seagram & Cole.
2929.	Folder entitled "Dalite Corporation (Canada) Limited, re: Commodore Sales Acceptance Limited, No. D-4314", from office of Roberts, Archibald, Seagram & Cole.	2940.	Folder entitled "Dalite Company of Delaware Limited, No. D-7301", from office of Roberts, Archibald, Seagram & Cole.
2930.	Folder entitled "Dalite Corporation (Canada) Limited, re: Seven Crown Motel, No. D-4316", from office of Roberts, Archibald, Seagram & Cole.	2941.	Certified copy of letters patent R. I. Cartwright of American-Marsh Pumps (Canada) Limited on file in the Department of the Secretary of State of the Government of Canada.
2931.	Folder entitled "Dalite Corporation (Canada) Limited re: Cansameric Industries Limited, No. D-4317" from office of Roberts, Archibald, Seagram & Cole.	2942.	File of documents comprising 40 pages certified to be true and correct copies of documents on file in the office of the Ministry of Road, Traffic and Records, the Registrar-General's office, Nassau, Bahamas, relating to Bahama Amusements Limited registered on 20 March, 1963.
2932.	Folder entitled "Dalite Corporation (Canada) Limited, re: S. Piscione and Sons Limited, No. D-4323", from office of Roberts, Archibald, Seagram & Cole.	2943.	Documents comprising 49 pages certified by Newton Clyde Roberts, Registrar-General, and Registrar of Companies of the Bahama Islands, as being true and correct copies of documents on file in the said Registrar's office, relating to Bahama Entertainment Company Limited registered on 24 June, 1963.
2933.	Folder entitled "Dalite Corporation (Canada) Limited, re: Kawneer Accounts, No. D-4327", from office of Roberts, Archibald, Seagram & Cole.	2944.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Canada Motor Products Limited.
2934.	Folder entitled "Dalite Corporation (Canada) Limited, re: Dalite Manitoba Limited, No. D-4328", from office of Roberts, Archibald, Seagram & Cole.	2945.	Certified copy of the letters patent of incorporation of Dalite Corporation (Manitoba) Limited, certified by G. B. Snider, Director of the Companies Branch, Department of the Provincial Secretary of Manitoba.
2935.	Folder entitled "Dalite Corporation (Canada) Limited, re: Discharge of Debentures, No. D-4331", from office of Roberts, Archibald, Seagram & Cole.		

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2946.	Return of information and particulars as of December 31, 1961, and return of information and particulars as of December 31, 1962, of Dalite Corporation (Manitoba) Limited, certified to be a true copy of the originals on file in the Companies Branch of the Department of the Provincial Secretary of Manitoba by G. B. Snider.	2955.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Old York Lane Properties Limited.
2947.	Documents comprising 37 pages certified by Newton Clyde Roberts, Registrar-General and Registrar of Companies of the Bahama Islands as being true and correct copies of documents on file in the said Registrar's office, relating to Five Wheels of Grand Bahama Company Limited.	2956.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Selectra Industries Limited.
2948.	Documents comprising 79 pages certified by Newton Clyde Roberts, Registrar-General and Registrar of Companies of the Bahama Islands as being true and correct copies of documents on file in the said Registrar's Office, relating to the Grand Bahama Development Company Limited.	2957.	Certified copies of annual summaries on file in the Department of the Secretary of State of the Government of Canada re: Molly Corporation of Canada Limited, American-Marsh Pumps (Canada) Limited, Cimcony of Canada Limited, Mirelis Investments Limited, United Dominion Corporation (Canada) Limited, and Selected Overseas Investments Limited.
2949.	Documents comprising 60 pages certified by Newton Clyde Roberts, Registrar-General and Registrar of Companies of the Bahama Islands as being true and correct copies of documents on file in the said Registrar's office, relating to Freeport International Company Limited.	2958.	File entitled "Masco Construction" received on August 4, 1965 from the offices of Wagman, Fruitman & Lando.
2950.	Documents comprising 24 pages certified by Newton Clyde Roberts, Registrar-General and Registrar of Companies of the Bahama Islands as being true and correct copies of documents on file in the said Registrar's office, relating to San Jose Construction (Bahamas) Limited.	2959.	Envelope containing bank statements and cancelled cheques of Valley Farm and Enterprises Limited at the Royal Bank of Canada, Alexandria, Ont., July, 1963, to November, 1963 from offices of Wagman, Fruitman & Lando.
2951.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Holte Motors Limited.	2960.	Envelope marked "Valley Farm & Enterprises Livestock, Account, Royal Bank of Canada, Alexandria, September, October and November, 1963" from offices of Wagman, Fruitman & Lando.
2952.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Inter-Provincial Commercial Discount Corporation Limited.	2961.	Envelope marked "Valley Farm & Enterprises Limited Account No. 023-944, Canadian Imperial Bank of Commerce, King Street, Toronto, September, 1963, to November, 1963" from offices of Wagman, Fruitman & Lando.
2953.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Jaypen Holdings Limited.	2962.	Photostatic copy of client's ledger card for accounts of Chartered Management Consultants of Canada Limited as at August 31, 1966 received from offices of Barrett, Goodfellow & Co.
2954.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Prismac Limited.	2963.	Photostatic copy of client's ledger card for account of Tarmac Trust, as at August 31, 1966, received from offices of Barrett, Goodfellow & Co.
		2964.	Photostatic copy of statement of Barrett, Goodfellow & Co. for account of the Royal Bank of Canada, Freeport, Grand Bahama, as at August 31, 1966, received from the offices of Barrett, Goodfellow & Co.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2965.	Payroll journal of Canada Motor Products (Toronto) Limited received from the offices of Wagman, Fruitman & Lando.		Motor Products (Toronto) Limited received from Wagman, Fruitman & Lando.
2966.	Synoptic journal of Canada Motor Products (Toronto) Limited received from the offices of Wagman, Fruitman & Lando.	2978.	Series of documents entitled "Salesmen's Credit Journal 1964" of Canada Motor Products (Toronto) Limited received from Wagman, Fruitman & Lando.
2967.	Vertical visible ledger binder of Canada Motor Products (Toronto) Limited received from Wagman, Fruitman & Lando.	2979.	Series of documents marked "Salesmen's Commissions Journal 1964" of Canada Motor Products (Toronto) Limited received from Wagman, Fruitman & Lando.
2968.	Accounts receivable general ledger of Canada Motor Products (Toronto) Limited received from Wagman, Fruitman & Lando.	2980.	Series of documents marked "Salesmen's Commission Charges Journal 1964" of Canada Motor Products (Toronto) Limited received from Wagman, Fruitman & Lando.
2969.	General ledger of Canada Motor Products (Toronto) Limited received from Wagman, Fruitman & Lando.	2981.	Series of documents marked, "Accounts Payable (Subsidiary Ledger) 1964" of Canada Motor Products (Toronto) Limited received from Wagman, Fruitman & Lando.
2970.	Book of account being sundry journals of Canada Motor Products (Toronto) Limited received from Wagman, Fruitman & Lando.	2982.	Series of documents marked "Disbursements Journal 1964" of Canada Motor Products (Toronto) Limited received from Wagman, Fruitman & Lando.
2971.	Series of documents entitled "Payrolls 1964" of Canada Motor Products (Toronto) Limited received from Wagman, Fruitman & Lando.	2983.	Series of documents marked "Credit Journal 1964", of Canada Motor Products (Toronto) Limited received from Wagman, Fruitman & Lando.
2972.	Series of documents entitled "Deposit Accounts Receivable (Subsidiary Ledger) 1964" of Canada Motor Products (Toronto) Limited received from Wagman, Fruitman & Lando.	2984.	Bundle of documents constituting the general ledger of Canada Motor Products (Toronto) Limited complete for the year 1964 received from Wagman, Fruitman & Lando.
2973.	Series of documents entitled "Regular Accounts Receivable (Subsidiary Ledger) 1964" of Canada Motor Products (Toronto) Limited received from Wagman, Fruitman & Lando.	2985.	Bundle of documents constituting accounts payable subsidiary ledger of Canada Motor Products (Toronto) Limited for the year 1964 received from Wagman, Fruitman & Lando.
2974.	Series of documents entitled "Receipt Journal, 1964" of Canada Motor Products (Toronto) Limited received from Wagman, Fruitman & Lando.	2986.	Time book and payroll journal for 1963 of Canada Motor Products (Toronto) Limited received from Wagman, Fruitman & Lando.
2975.	Series of documents entitled "Sales Journal, 1964" of Canada Motor Products (Toronto) Limited received from Wagman, Fruitman & Lando.	2987.	Time book and payroll journal for 1964 of Canada Motor Products (Toronto) Limited from Wagman, Fruitman & Lando.
2976.	Series of documents entitled "Purchase Journal Ledger, 1964" of Canada Motor Products (Toronto) Limited received from Wagman, Fruitman & Lando.	2988.	Financial report for Canada Motor Products Limited for the year ended December 31, 1959 prepared by Perlmutter, Orenstein, Giddens, Newman & Company, from files of Houser & Garten.
2977.	Series of documents entitled "Salesmen's Sale Journal 1964" of Canada		



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2989. Copy of federal corporation tax return for the fiscal period ended December 31, 1960, with attached financial statements pertaining to Canada Motor Products Limited prepared by Houser & Garten.
- 1869.3 Signed carbon copy of agreement made 26 September, 1962, between C. Powell Morgan and D. Phillip Owen by which Mr. Morgan agrees to buy from Mr. Owen 100,000 common shares of Arcan Corporation Limited at \$1 per share.
2991. Schedule entitled "Arcan Corporation Limited, statement of financing relating to acquisition of 100,000 shares Arcan Corporation Limited by C. P. Morgan for the period September 24, 1962 to November 26, 1962" prepared by Mr. Francis.
2992. Certified photostatic copies of current account ledger cards of William L. Walton, account no. 951-650, the King & Yonge St. Branch of the Toronto-Dominion Bank, for the period December 14, 1961 running through to December 22, 1965.
2993. Certified photostatic copy of current account no. 61-7-53126 of Mr. C. Powell Morgan at 25 Adelaide Street West branch, Toronto-Dominion Bank, for the period December 29, 1961 to August 31, 1965.
2994. Certified photostatic copy of deposit slip, Toronto-Dominion Bank, 25 Adelaide Street West branch, dated September 24, 1962, marked to credit of C. P. Morgan current account, \$25,000.
2995. Photostatic copy of deposit slip, Toronto-Dominion Bank, 25 Adelaide Street West branch dated October 30, 1962, crediting account of C. P. Morgan with a deposit of \$75,000.
2996. Certified copy of posting to certified cheque register of the Toronto-Dominion Bank on November 28, 1962 of a certified cheque for \$75,000 from C. P. Morgan to D. P. Owen.
2997. Certified photostatic copy of ledger card for account of Donald Phillip Owen and Eila Owen, joint account no. 94591, 25 King Street West branch of The Canadian Imperial Bank of Commerce, for period October 1, 1962, to November 30, 1962.

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2998. Certified photostatic copy of a credit voucher for deposit of a cheque from C. P. Morgan for account no. 94591, D. P. Owen, dated October 1, 1962, in the amount of \$25,000.
2999. Cheque no. 175 of Valley Farm and Enterprises Limited dated October 30, 1962, payable to the Toronto-Dominion Bank, in the amount of \$123.30, signed for Valley Farm and Enterprises Limited by William L. Walton.
3000. Certified photostatic copy of deposit slip, to credit of W. L. Walton for two cheques in amounts of \$254.79 and \$123.30, at Toronto-Dominion Bank, King & Yonge Street branch, dated October 31, 1962.
3001. Photostatic copy of Bon Ami Limited cheque no. 6097 together with cheque stub dated October 28, 1963 in amount of \$2,550. U.S. payable to Bon Ami Company, signed by E. N. Kemp & E. G. Martin.
3002. Photostatic copy of letter on the letterhead of Bon Ami Limited, dated October 31, 1963, addressed to the Bon Ami Company over the signature of G. Bartlett, Controller enclosing Bon Ami Limited cheque in amount of \$2550 U.S. in payment of interest due to Bon Ami Company by Arcan Corporation Limited.
- 1020.1 Carbon copy of unsigned letter to Standard International Corporation, c/o Tilley Carson, Findlay & Wedd from C. P. Morgan dated May 5, 1965 re: discharge of \$108,000 debenture and sale of shares of Bon Ami Canada Limited in amount of \$317,000.
3004. Photostatic copy of proxy certificate addressed to shareholder of Arcan Corporation Limited, dated September 21, 1960 with signature of Gerald Groship.
3005. Copy of letter dated July 20, 1962, to Messrs. P. Owen and D. B. Armstrong, c/o Arcan Corporation Limited from Gilbert R. Barrett, C.A. acknowledging receipt of cheque in amount of \$1,500 in connection with work to be performed in regard to proposals by Selectra Industries Limited, Pneuma-Serve and King Fixit Marts Limited.



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3006.	Certified ledger account card from Guaranty Trust Company of Canada for Selectra Industries Limited in the name of Gilbert R. Barrett, 85 Richmond Street West, Toronto, Ontario, recording thereon January 8, 1962, certificate no. 100, issued 1000, balance 1000.		July 27, 1962, addressed, "Dear Phil.", and signed "Powell" indicating that Mr. Morgan had sold his interest in Yarrum Investments Limited.
3007.	Certified true copy of advice card of Merrill Lynch, Pierce, Fenner & Smith, trade date December 28, 1961, date due January 4, 1962, for account no. 60513779, recording purchase 1000 Selectra Industries Limited, price 2½, amount \$2,500, commission \$45, net amount \$2,545, Customer name Mr. Gilbert R. Barrett.	1020.2	Photostatic copy of letter of agreement dated May 21, 1965 to Mr. D. P. Owen from Associated Canadian Holdings Limited, signed by Jack Tramiel, President, outlining details of Arcan Corporation Limited transaction.
3008.	Photostatic copy of letter of September 26, 1962, to Mr. C. P. Morgan from Mr. D. P. Owen confirming oral agreement of purchase by C. P. Morgan of 100,000 common shares of Arcan Corporation Limited.	2926.1	Material handed to Mr. Thomson by Mr. Hogg or Mr. Last, relating to Dalite Corporation (Canada) Limited, being various correspondence, originals and copies, telegram and memoranda.
3009.	Pencilled memorandum dated November 12, 1962, with notation "Valley Farm & Enterprises Limited, Demand Note 8½ per cent, \$10,000. Harry Wagman, 225 Richmond Street West, Walton, Wagman & Company" written by Mr. Owen.	3016.	From offices of Walton, Wagman & Co. Folder containing book of cheque stubs August 30, 1962, to July 26, 1963, for account no. 023944 of Valley Farm and Enterprises Limited at the Canadian Imperial Bank of Commerce, 25 King St. W., Toronto.
3010.	Copy of document being promissory note no. A005 in amount of \$60,000 dated May 27, 1963, from Arcan Corporation Limited to Aurora Leasing Corporation Limited.	3017.	From offices of Walton, Wagman & Co. Bank statements, cancelled debit and credit vouchers relating to account no. 023944 of Valley Farm and Enterprises Limited, July to December, 1962 at the Canadian Imperial Bank of Commerce, 25 King St. W., Toronto.
3011.	Ink written memorandum of Mr. Kemp on reverse side of printed by-law of Arcan Corporation Limited being notes on cheque no. 6406 from Bon Ami Limited to Montreal Star Company Limited.	3018.	From offices of Walton, Wagman & Co. Bundle of bank statements, cancelled debit and credit vouchers relating to account no. 023944 of Valley Farm and Enterprises Limited, January to August, 1963 at the Canadian Imperial Bank of Commerce, 25 King St. W., Toronto.
3012.	Photostatic copy of a five-page report with two Schedules Appended, prepared by R. A. Armstrong, Chartered Accountant, dated July 9, 1965 and addressed to Mr. D. P. Owen, re Mr. Armstrong's examination of the books and accounts of Arcan Corporation Limited and its controlled companies Bon Ami Limited and Charcoal Supply & Sales Limited.	3019.	From offices of Walton, Wagman & Co. Banking documents relating to Valley Farm and Enterprises Limited at the Alexandria, Ontario, branch of the Royal Bank of Canada, for the period June to December, 1962.
3013.	Photostatic copy of letter on the letterhead of executive office, 1208 Concourse Building, 100 Adelaide Street W., Toronto, Ontario, dated Chatsworth Enterprises Limited.	3020.	From offices of Walton, Wagman & Co. Banking documents relating to Valley Farm and Enterprises Limited at the Alexandria, Ontario, branch of the Royal Bank of Canada, for the period January to June, 1963.
		3021.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re:

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3022.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re The Dale Estate Limited.	3033.2	Ledger cards, Commodore Sales Acceptance Limited for accounts receivable, Canada Motor Products Limited, for April 28, 1960 to February 28, 1963.
3023.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Dale Estate Limited.	3036.	From the Office of the Registrar, Supreme Court of Ontario certified copy of petition and supporting affidavit filed with the court 9 March, 1962 in the matter of the bankruptcy of Canada Motor Products Limited.
3024.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Fenix Manufacturing Limited.	3037.	From the Office of the Registrar, Supreme Court of Ontario certified true copy of affidavit of William James Murray, trustee's representative with the seal copy of petition attached, filed 20 March, 1962 in the matter of the bankruptcy of Canada Motor Products Limited.
3025.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Golburn Discount Sales Limited.	3038.	From the Office of the Registrar, Supreme Court of Ontario receiving order made by the court on 9 March 1962, and the affidavit of Albert George Woolfrey filed 9th day of March, 1962 in the matter of the bankruptcy of Canada Motor Products Limited.
3026.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Latina Tavern Limited.	3039.	From the Office of the Registrar, Supreme Court of Ontario certified true copy of receiving order made by the court 20 March, 1962 in the matter of the bankruptcy of Canada Motor Products Limited.
3027.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Pay As You Study Plan Limited.	3040.	From the Office of the Registrar, Supreme Court of Ontario, certified true copy of an order made by the court on 21 March, 1962, order for re-direction of mail and communications in the matter of the bankruptcy of Canada Motor Products Limited.
3028.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Standard Discount Corporation Limited.	3041.	From the Office of the Registrar, Supreme Court of Ontario, certified true copy of sworn questionnaire filed with official receiver 5 April, 1962, the deponent being Israel Moses Gringorten, in the matter of the bankruptcy of Canada Motor Products Limited.
3029.	Volume containing minute book of Gassem Enterprises Limited, letters and loose corporate documents from Mr. Eades' office.	3042.	From the Office of the Registrar, Supreme Court of Ontario certified true copy of statement of affairs filed with official receiver 5 March, 1962 attested to by I. M. Gringorten in the matter of the bankruptcy of Canada Motor Products Limited.
3030.	Folder entitled "Canada Motor Products (Toronto) Limited" containing carbon copies of correspondence re: incorporation of company, from Mr. Eades' office.		
3031.	Folder entitled "Gassem Enterprises Limited" containing carbon copies of correspondence, financial statements of Canada Motor Products (Toronto) Limited and application for change of name to Gassem Enterprises Limited.		
3032.	Minute book of Canada Motor Products (Blackstone) Limited from Mr. Stitt's office.		
3033.	File entitled "Canada Motor Products Limited, Agreements, Mortgage and other documents" from records of Commodore Sales Acceptance Limited in possession of the Clarkson Company Limited.		
3033.1	Ledger cards; Commodore Sales Acceptance Limited, for account of Canada Motor Products Limited, loans receivable control account August 1, 1961 to April 24, 1962.		

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3043.	From the Office of the Registrar, Supreme Court of Ontario certified true copy of examination of Israel Moses Gringorten on April 6, 1962 in the matter of the bankruptcy of Canada Motor Products Limited.		Products Limited, Bankrupt, by Commodore Sales Acceptance Limited during the period March 20, 1962, to December 31, 1965, as per the Books of Commodore Sales Acceptance Limited".
3044.	From the Office of the Registrar, Supreme Court of Ontario, certified true copy of minutes of first meeting of creditors filed with official receiver 20 October, 1962 in the matter of the bankruptcy of Canada Motor Products Limited.	3051.	From the Office of The Provincial Secretary for Ontario, certified copies of four letters and debenture of Canada Motor Products (Toronto) Limited in the amount of \$200,000 to Commodore Sales Acceptance Limited dated 5 May, 1962, filed at Office of Provincial Secretary on 15 May, 1962 under The Corporate Securities Registration Act.
3045.	From the Office of the Registrar, Supreme Court of Ontario, certified true copy of order made by the court on April 16, 1962 in relation to redirection of mail to Allan W. Jackson, Senior, as trustee of Estate of Canada Motor Products, Limited, Bankrupt.	3052.	Schedule prepared by Mr. Nuspl entitled "Gassem Enterprises Limited, formerly Canada Motor Products (Toronto) Limited, Debenture Payable to Commodore Sales Acceptance Limited, as per Books of Account of Canada Motor Products (Toronto) Limited, and working papers of Walton, Wagman & Co. and successor firm".
3046.	From Office of the Registrar, Supreme Court of Ontario, certified true copies of application of former trustee Wm. L. Walton to pass accounts with supporting exhibits filed May 12, 1964, and order made by court issued May 12, 1964 releasing security of former trustee.	3053.	Schedule prepared by Mr. Nuspl entitled "Canada Motor Products Limited, Note Receivable Canada Motor Products Limited (I. M. Gringorten) Secured by fourth Mortgage of \$31,500, as per the Books of Account of Commodore Sales Acceptance Limited".
3047.	Schedule prepared by Mr. Nuspl entitled "Canada Motor Products Limited, Loans Receivable from Canada Motor Products Limited as per Books of Account of Commodore Sales Acceptance Limited".	1862.1	Carbon copy of letter from Walton, Wagman & Company to A. Shelman dated Feb. 5, 1962 with carbon copy of memorandum attached summarizing meeting at Mr. Shelman's home Sunday, February 4, 1962 in connection with Canada Motor Products Limited obtained from office of Walton, Wagman & Co.
3048.	Schedule prepared by Mr. Nuspl entitled "Gassem Enterprises Limited (formerly Canada Motor Products (Toronto) Limited, February 6, 1962 to March 31, 1963)" being a schedule of shareholders of the company from incorporation to June 15, 1965 taken from minute book of the company.	3055.	Schedule prepared by Mr. Nuspl entitled "Gassem Enterprises Limited (formerly Canada Motor Products (Toronto) Limited), Advances by Valley Farm & Enterprises Limited as per Books of Account of the Companies".
1857.1	Six-page reporting letter on the letterhead of Hubert J. Stitt, dated July 2, 1963, addressed to Canada Motor Products (Toronto) Limited to the attention of William L. Walton, and signed L. Murray Eades re: incorporation of the company, from the office of Walton, Wagman & Co.	3056.	Schedule prepared by Mr. Nuspl entitled "Gassem Enterprises Limited (formerly Canada Motor Products (Toronto) Limited), Payments to Chartered Management Consultants (of Canada) Limited, September 28, 1962 to December 31, 1962, per Books of the Company".
3050.	Schedule prepared by Mr. Nuspl entitled, "Canada Motor Products Limited and Canada Motor Products (Toronto) Limited Allocation of Indebtedness of Canada Motor		



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*Description*

3057. Schedule prepared by Mr. Nuspl entitled "Gassem Enterprises Limited, Effect of Dale Estate Transactions per Financial Statements of the Company and Working Papers of Walton, Wagman & Company".
- 722.1 Original financial statements signed by Walton, Wagman & Company of Canada Motor Products (Toronto) Limited as at March 31, 1963, from office of Wagman, Fruitman & Lando.
3059. Schedule prepared by Mr. Nuspl entitled "Canada Motor Products (Blackstone) Limited, Shareholders for the period Incorporation January 29, 1963 to May 8, 1963 as per Minute Book of the Company".
3060. Photostatic copy of shareholders' agreement entered into the 8 May, 1963 between Blackstone Manufacturing Co. Inc. and Canada Motor Products (Toronto) Limited by which Blackstone Manufacturing Co. Inc. will cause Canada Motor Products (Blackstone) Limited to issue to Canada Motor Products (Toronto) Limited 6 common shares and 24,994 preference shares in consideration of the sum of \$25,000 and conveyance of certain assets. This document was obtained from Mr. D. V. Kahn, a Chicago solicitor for Blackstone Manufacturing Co. Inc.
3061. Schedule prepared by Mr. Nuspl entitled "Canada Motor Products (Toronto) Limited, Canada Motor Products (Blackstone) Limited, Advances to the Companies during the period July 5, 1962, to October 31, 1962, as per the Books of the Companies, from N.G.K. Investments Limited".
3062. Schedule prepared by Mr. Nuspl entitled "Canada Motor Products (Blackstone) Limited, Summary of Profit and Loss for the year ending December 31, 1963".
3063. Schedule prepared by Mr. Nuspl entitled "Canada Motor Products Limited, Canada Motor Products (Blackstone) Limited, Gassem Enterprises Limited, (formerly Canada Motor Products (Toronto) Limited), Summary of Profit and Loss and Deficit".
3064. Schedule prepared by Mr. Nuspl entitled "Canada Motor Products Limited, Gassem Enterprises Lim-

*Exhibit  
No.*

*Description*

- ited (formerly Canada Motor Products (Toronto) Limited), Canada Motor Products (Blackstone) Limited, Estimated Losses of Commodore Sales Acceptance Limited, N.G.K. Investments Limited and Valley Farm & Enterprises Limited at December 31, 1965".
3065. Telegram, time stamped 1962 March 23, 11:34 p.m. from N. N. Saunders, General Sales Manager, Canada Motor Products (Toronto) Limited, 45 Alliance Ave. Toronto to S. Hoffman, Hamilton Auto Supply Limited soliciting business for Canada Motor Products (Toronto) Limited but using address of bankrupt Canada Motor Products Limited.
3066. Schedule prepared by Mr. Wolfman entitled "Dalite Corporation (Canada) Limited, Directors to June 17, 1964".
- 2939.1 Agreement from files of Roberts, Archibald, Seagram & Cole, dated April 10, 1962 between Eugene Last and Carl Solomon as trustee by which Last acknowledges he is the owner of all the issued shares of Dalite Corporation (Canada) Limited and agrees to sell 25% of said shares to C. Solomon as trustee in consideration of sum of \$1.
- 2939.2 Letter from files of Roberts, Archibald, Seagram & Cole dated May 8, 1962, from the Canada Permanent Toronto General Trust Company, addressed to Roberts, Archibald, Seagram & Cole, with copy Dalite Corporation (Canada) Limited escrow agreement attached.
3069. Letter dated September 15, 1966 from the Canada Permanent Trust Company to the Royal Commission on Atlantic Acceptance Corporation Limited stating that they continued to hold the shares of Dalite Corporation (Canada) Limited under the escrow agreement dated May 1, 1962.
- 2923.1 Letter from office of Glick & Levine dated May, 1961, from Annett & Company Limited to Dalite Corporation (Canada) Limited with attached questionnaire headed "Confidential Application for Underwriting". Also attached is a carbon copy of letter from Glick & Levine to Annett & Company Limited enclosing completed questionnaire.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2937.1	Copy of lease from files of Roberts, Archibald, Seagram & Cole between Eugene Last, lessor, and Dalite Furniture & Store Fixtures Co. Limited, lessee re: lease of premises at 300 Dwight Ave for ten years from 1 December 1955 at annual rental of \$33,600.	3082.	Schedule prepared by Mr. Wolfman entitled "Dalite Corporation (Canada) Limited, Analysis of Financing".
2937.2	Copy of lease from files of Roberts, Archibald, Seagram & Cole to Canada Motor Products (Blackstone) Limited, dated 31 January, 1963, from Dalite Corporation (Canada) Limited by which Dalite sublet premises at 300 Dwight Ave. to Canada Motor Products (Blackstone) for term of thirty-three months and twenty-nine days at rental of \$2,000 per month.	2923.2	Letter from files of Glick & Levine dated 25 January, 1962, to Glick & Levine, from Dalite Corporation (Canada) Limited, signed by E. Last re: expenses to be deferred at year ended July 31, 1961.
3073.	Schedule prepared by Mr. Wolfman entitled "Dalite Corporation (Canada) Limited, Analysis of Revenues, 1960 to 1965".	2923.3	Accountant's working paper from files of Glick & Levine entitled "Dalite Corporation (Canada) Limited, Promotion and Publicity Expenses — Prefab Export — Year ended July 31, 1961".
3074.	Schedule prepared by Mr. Wolfman entitled, "Dalite Corporation (Canada) Limited, Condensed Balance Sheets and Income Statements July 31, 1960 to August 31, 1965".	2923.4	Letter dated January 22, 1962 to Glick & Levine on letterhead of Dalite Corporation (Canada) Limited signed by E. Last re: payments totalling \$19,760 paid by Mr. Last on behalf of Dalite Corporation (Canada) Limited.
3075.	Schedule prepared by B. Wolfman entitled, "Dalite Corporation (Canada) Limited, Comparative Adjusted Earnings Statement 1960 to 1965".	2923.5	Photostatic copy from files of Glick & Levine of invoice to Dalite Corporation (Canada) Limited from International Law Consultants in the amount of \$5,025, dated June 1, 1961 for services rendered by Dr. J. M. Keesing.
3076.	General ledger of Dalite Corporation (Canada) Limited commencing January, 1963, to August 31, 1965.	2923.6	Photostatic copy from files of Glick & Levine of Invoice to Dalite Corporation (Canada) Limited from Basic Industries Investment Corporation, Monrovia, Liberia, dated 24 March, 1961.
3077.	Accounts payable ledger of Dalite Corporation (Canada) Limited, commencing January, 1963, to August 31, 1965.	2923.7	Photostatic copy from files of Glick & Levine of Bill on letterhead of Dr. John Maurice Keesing, dated January 2, 1961 in amount of \$9,000 to Mr. E. Last c/o Dalite Corporation (Canada) Limited for international trade advice.
3078.	Journal of Dalite Corporation (Canada) Limited containing 1963 purchase journal; 1963 journal of Bahamas Costs; 1963 receipts journal; 1963 disbursements journal; 1964 disbursements journal; 1963 sales journal; 1964 sales journal and 1963 and 1964 general journal.	2923.8	Copy of letter from files of Glick & Levine dated February 24, 1962 from Glick & Levine to Mr. Eugene Last, c/o Dalite Corporation (Canada) Limited requesting photostatic copy of cheque to Dr. Keesing in June 1960 for \$10,000.
3079.	1964 purchase journal of Dalite Corporation (Canada) Limited.	2923.9	Letter from files of Glick & Levine dated March 19, 1962, from Walton, Wagman & Company to Mr. S. A. Glick, C.A., re: audited financial statement of Dalite Corporation (Canada) Limited as at July 31, 1961 prepared by Glick & Levine.
3080.	Journal of Dalite Corporation (Canada) Limited containing 1965 receipts journal; 1965 disbursements journal; 1965 sales journal; and 1965 general journal.		
3081.	Daylite of Grand Bahama Company Limited costs journal commencing in October, 1963 through to April, 1965.		

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3091.	Photograph from files of Duncan Hopper & Associates Limited, Consulting Engineers, of hotel and marina, on the reverse side of which is written the numeral 9. The Lucayan Beach Hotel is in the centre of the picture.	3101.	Cheque drawn on Commodore Sales Acceptance Limited account at Bank of Nova Scotia dated February 13, 1964, in amount of \$65,-189.72, payable to Dalite Corporation (Canada) Limited and deposited in the Bank of Montreal.
3092.	Five photographs from files of Duncan Hopper & Associates Limited of dwelling units with numerals on the reverse side, 10, 11, 14, 15 and 17.—Dalite Corporation (Canada) Limited, Grand Bahama project.	3102.	Cheque drawn on Eugene Last's building account at Canadian Imperial Bank of Commerce, Bloor and Lansdowne dated December 16, 1964 in the amount of \$27,000, from the records of the trustee.
3093.	List of Grand Bahama projects, found in records of Dalite Corporation (Canada) Limited, dated January 8, 1964 headed "Grand Bahama Project—will be recorded by use of the following Jobsite Numbers".	3103.	Cheque dated December 30, 1964, drawn on Dalite Corporation (Canada) Limited Account at Canadian Imperial Bank of Commerce, in the amount of \$27,000, payable to E. Last's building account from the records of the trustee.
3094.	Books of account of Masco Construction Limited, being general ledger and books of original entry from the records of the receiver.	3104.	Cheque from Commodore Sales Acceptance Limited dated December 31, 1964, payable to Dalite Corporation (Canada) Limited, in amount of \$27,577.91, which was deposited in Dalite's account on 31 December, 1964.
3095.	Monthly statements for sterling bank account of Daylite Grand Bahama Company Limited from October 29, 1963 in Royal Bank of Canada, Freeport from records of trustee.	3105.	Bank statements from January, 1964, relating to the general account, Bank of Montreal, of Dalite Corporation (Canada) Limited, from the records of the receiver.
3096.	Monthly statements for U.S. dollar account of Daylite of Grand Bahama Company Limited from March 13, 1964 in Royal Bank of Canada, Freeport from records of trustee.	3106.	Copy of a report by F. K. Cockburn, dated March 4, 1964, re: Dalite Corporation (Canada) Limited, Grand Bahama Project, with list of procedures attached, found among records of Walton, Wagman & Company.
3097.	Certified true copies of ledger cards, E. Last Building Account, Canadian Imperial Bank of Commerce, Bloor & Lansdowne, Toronto, for the period July 20, 1959 to November 30, 1965.	3107.	Letter dated April 8, 1964 from Commodore Sales Acceptance Limited signed by F. K. Cockburn to Daylite of Grand Bahama Company Limited, attention Miss E. McCarthy, with suggested daily report attached.
3098.	Photostatic copy of passbook of Nathan Saunders account Canadian Imperial Bank of Commerce, Lakeshore & Seventh, New Toronto, from the records of the trustee.	3108.	Ten daily reports to Dalite Corporation (Canada) Limited from Daylite of Grand Bahama Company Limited.
3099.	Deposit slips, Daylite of Grand Bahama Company Limited re: U.S. dollar account and sterling account Royal Bank of Canada, Freeport, from November 13, 1963 to March 4, 1965 from the records of the trustee.	3109.	Cheque drawn on E. Last Building Account dated January 8, 1965 in amount of \$5,500 payable to S. J. Hogg.
3100.	Cheque drawn on Dalite Corporation (Canada) Limited account at Bank of Montreal dated 13 February, 1964 in amount of \$15,500, payable to N. Saunders.	3110.	Cheque dated May 6, 1964, from Dalite Corporation (Canada) Limited to E. Last building account in amount of \$11,955.15.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3111.	Copy of invoice from Pinder Plumbing Company Limited, Freeport to Lucayan Beach Village Limited, Freeport, Grand Bahama, April 20, 1964 for \$5,000 U.S. re: job no. 202, from office of Wagman, Fruitman & Lando.		Lucayan Project — Billings and Costs".
3112.	Copy of invoice from Pinder Plumbing Company Limited to Lucayan Beach Village Limited, Freeport Grand Bahama, dated April 25, 1964 for \$6,000 U.S. re: job no. 202 from office of Wagman, Fruitman & Lando.	3120.	Five-page document entitled "Budget, Bahama Project" from office of Wagman, Fruitman & Lando.
3113.	Carbon copy of handwritten memorandum dated November 3, 1964, to R. Pollock from F. K. Cockburn, re: Pinder Plumbing Company Limited contract on job no. 202, from office of Wagman, Fruitman & Lando.	3121.	Copy of document headed "Completion Certificate Project 203 & 204" showing total cost of \$1,512,-276.56 for 110 efficiency units for employees, from files of Duncan Hopper & Associates Limited.
3114.	Copy of statement from Pinder Plumbing Company Limited dated August 4, 1964 to Daylite of Grand Bahama Company Limited showing balance of £1013 left on contract for job no. 202, from office of Wagman, Fruitman & Lando.	3122.	Copy of document headed "Completion Certificate Project 205" showing total cost of \$750,177.63 for 40 apartment units, from files of Duncan Hopper & Associates Limited.
3115.	Work sheet for reconciliation purposes headed "Pinder Plumbing" with itemized billings re: Daylite of Grand Bahama Company Limited and payments by Daylite of Grand Bahama Company Limited.	3123.	Report by Duncan Hopper & Associates Limited found among their records entitled, "An Economic and Feasibility Report for the Marina, Freeport, Grand Bahama Island", dated January 6, 1964, which shows an estimate of \$1,091,031.20 for the marina stalls and boat repair yard.
3116.	Cheque in the amount of \$5,000 U.S. drawn on the E. Last building account payable to E. D. Sassoon Banking Company Limited dated April 26, 1964.	3124.	Copy of document headed "Completion Certificate, Project 201" showing total cost of \$2,188,572.50 for marina, stores and boat repair yard, from files of Duncan Hopper & Associates Limited.
3117.	Cheque in the amount of \$6,000 U.S. drawn on the E. Last building account payable to E. D. Sassoon Banking Company, dated April 26, 1964.	3125.	Copy of document headed "Completion Certificate Project 202" showing total cost of \$3,225,151.60 for motel, service buildings, swimming pool and shopping space from files of Duncan Hopper & Associates Limited.
3118.	Letter dated September 13, 1966, from Mr. R. W. Pinder, Freeport, Grand Bahama Island to the Royal Commission in which Mr. Pinder states that invoices being Exhibits 3111 and 3112 did not originate from office of Pinder Plumbing nor was payment received by Pinder Plumbing. Letter witnessed by F. K. Cockburn, Freeport.	3126.	Photostatic copy of unsigned memorandum of agreement from files of Mr. Morgan between C. P. Morgan, E. Last, J. E. Thomson and S. J. Hogg dated the blank day of March, 1965 re: merging of interests of four parties to form public company which would own Dalite Corporation (Canada) and a holding corporation owning shares in the public company, each of the four parties to have a 25% interest in the holding corporation after Atlantic Acceptance and Commodore Sales Acceptance have been wholly paid.
3119.	Schedule prepared by Mr. Wolfman entitled "Dalite Corporation (Canada) Limited: Analysis of the	3127.	Photostatic copy of undated memorandum from office of Wagman, Fruitman & Lando headed "Memorandum re: public financing of Daylite of Grand Bahama Limited".



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3128.	Copy of credit report on Dalite Corporation (Canada) Limited dated October 14, 1964 from files of Commodore Sales Acceptance Limited.	3136.	Copy of invoice no. 5510 obtained from Master Welding Limited, dated February 28, 1962, Master Welding Limited to Dalite Corporation (Canada) Limited in amount of \$1831.
3129.	Copy of certificate of registration, Department of Transport of Canada, entered at Registry of Shipping, dated June 1, 1966, showing Mrs. E. Last as owner of the Aquila III.	3137.	Copy of job order from files of Master Welding Limited, dated January 24, 1962, in name of Dalite Corporation, re: work to be done on a cabin cruiser, authorized by Gene Last.
3130.	Photostatic copy of letter from file of Registrar of Shipping dated February 24 1964, to Mr. E. Last, 44 Cumberland Drive, Port Credit, from J. W. Humphries, Assistant Registrar of Shipping, asking if Mrs. E. Last is still the owner of Aquila III. Reply from Mr. Last is handwritten on the bottom of this letter—ownership unchanged.	3138.	Copies of two handwritten memoranda from files of Master Welding Limited, — one undated, shows \$1831.11 apparently as an amount to be billed to Dalite Corporation for work on a cabin cruiser and other refers to invoicing instructions.
3131.	Copy of invoice from records of Daylite of Grand Bahama held by Trustee headed "Rybovich & Sons Boat Works, Inc." to Daylite of Grand Bahama dated April 25, 1964 in amount of \$8,022.57 for hardware for docks.	3139.	Pages 23, 24, of Dalite Corporation (Canada) Limited purchase journal for February, 1962, showing recorded on February 28 an amount payable to Master Welding Limited of \$1,831 charged to "prefabricating expenses, domestic."
3132.	Cheque from records of Daylite of Grand Bahama held by trustee dated April 21, 1964, in amount of \$8,022.57 U.S. payable to order of Rybovich & Sons from Daylite of Grand Bahama Company Limited, signed by Nathan Saunders and Julian O'Reilly.	1716.1	Handwritten schedule from audit files of Walton, Wagman & Co. entitled "Dalite Corporation (Canada) Limited, Schedule of Moving Costs and Re-Equipment July 31, 1962", with amount of \$1831 shown for Master Welding for steel jigs.
3133.	Copy of invoice Exhibit 3131, obtained from Rybovich & Sons, West Palm Beach, Florida with work order pages attached, dividing the cost of labour and materials and showing number of hours worked, each work order page showing the name "Aquila".	3141.	Certified true copy of invoice of George W. Crothers Limited to Dalite Corporation (Canada) Limited dated April, 1962 in amount of \$8219.40 for one complete power package, shown as shipped to Aquila III.
3134.	Report, from records of Daylite of Grand Bahama held by receiver, dated April 22, 1964, from Daylite of Grand Bahama Company Limited to Dalite Corporation (Canada) Limited, this report being a list of cheques drawn on Daylite of Grand Bahama Company U.S. dollar account.	3142.	Pages 37 and 38 of Dalite Corporation (Canada) Limited purchase journal, showing recorded on April 19, 1962 an amount payable to George W. Crothers Limited of \$7,980, charged to "prefabricating expenses, domestic".
3135.	Report dated April 27, 1964, found among records of Daylite of Grand Bahama, shown as report no. 5 to Dalite Corporation (Canada) Limited from Daylite of Grand Bahama Company Limited.	3143.	Builder's certificate under the Canada Shipping Act, obtained from file of Registrar of Shipping stating that the ship Aquila III was built by Raymond Goodreau at Tilbury, and completed by January 1959 for the account of Elsie Last.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
2922.1	Photostatic copy of invoice from files of Glick & Levine, of Raymond Goodreau Steel Boats and fishermen's supplies to Dalite Furniture and Stores Fixtures Company Limited, dated December 18, 1958, in amount of \$1,900 with details stated as "to re-line steel and stainless steel tanks for plating".	3152.	Cheque no. 5570, dated January 13, 1965, found in records of Dalite Corporation (Canada) Limited payable to the Canadian Imperial Bank of Commerce for deposit to E. Last building account in amount of \$249,477.96.
3145.	Sheet from accounts payable ledger of Dalite Corporation (Canada) Limited, showing recorded on December 18, 1958 an amount payable to Raymond Goodreau of \$1,900, charged to machinery repairs expense.	3153.	Cheque dated January 6, 1965 found among records of Daylite of Grand Bahama Company Limited payable to Grand Bahama Development Corporation Limited, in amount of \$232,140.
2922.2	Photostatic copy of invoice from files of Glick & Levine, of Boyce Boiler & Machinery Company Limited to Dalite Furniture Company Limited dated October 30, 1958 in the amount of \$253.38, with details stated as "Crane loading tank on float, delivery and unloading".	3154.	License agreement dated October 6, 1964 whereby the Grand Bahama Port Authority Limited authorizes Daylite of Grant Bahama Company Limited to carry on with operation and conduct of an aviation club.
3147.	Copy of invoice obtained from files of Boyce Boiler & Machinery Co. dated October 30, 1958, from Boyce Boiler & Machinery Company Limited to Dalite Furniture Company Limited in the amount of \$253.38 with details stated as "Crane loading boat on float, delivery and unloading".	3155.	Original letter obtained from Mr. J. R. Timmins dated August 26, 1964, from C. P. Morgan to Jules R. Timmins, Jr. re: proposed arrangement for mortgage on the Lucayan Ventures for \$14 million U.S. to be obtained by Mr. Timmins.
3148.	Bundle of photostatic copies of documents from the Registry of Shipping relating to boat, Manana III.	3156.	Certified true copy of memorandum of Association of Aviation Country Club Limited dated 24 August, 1964 certified by Office of Registrar-General of B a h a m a Islands.
2923.10	Handwritten schedule from files of Glick & Levine entitled "Dalite Furniture & Store Fixtures Company Limited, Sundry Memos for year ended July 31, 1960".	3157.	Copy, obtained from Mr. J. R. Timmins, of minutes of first annual general meeting, Aviation Country Club Limited, 29 August, 1964 showing Officers to be J. R. Timmins, President, J. E. Thomson, Vice-president and E. Last, Treasurer.
3150.	Page no. J-20-A of the general journal of Dalite Furniture & Store Fixtures Company Limited for July, 1960 showing transfer of \$12,252.32 from machinery repairs expense account to plant and equipment account.	3158.	Letter from Jules R. Timmins to E. Last, dated August 17, 1964, outlining agreement to organization of aviation club on Grand Bahama Island, signed by E. Last as accepting proposal.
3151.	Photostatic copy of agreement, obtained from Mr. J. R. Timmins, of purchase and sale dated October 6, 1964, between Grand Bahama Development Company and Daylite of Grand Bahama Company Limited by which Daylite of Grand Bahama agrees to purchase a parcel of land of 7.2 acres located immediately to the west of Lucayan Beach Hotel for \$528,560 U.S.	3159.	Feasibility study by Weir, Duncan & Co., Chartered Accountants, 19th August, 1964 obtained from Mr. Timmins re: aviation club.
		3160.	Document from files of Duncan Hopper & Associates, setting up the forecasts of costs of a project entitled "Aircraft Owners & Pilots Club Limited".
		3161.	Brochure from files of Duncan, Hopper & Associates entitled "370 Degrees, a Point Beyond the Compass Circle" containing plans and sketches of proposed aviation club.

<i>Exhibit No.</i>	<i>Description</i>
3162.	Invoice from records of Dalite Corporation (Canada) Limited dated February 1, 1965, from Dalite Corporation (Canada) Limited to Daylite of Grand Bahama Company Limited in amount of \$249,550.50 for land re: International Aviation Club Ltd.
3163.	Invoice from records of Dalite Corporation (Canada) Limited dated June 30, 1965 from Dalite Corporation (Canada) Limited to Daylite of Grand Bahama Company Limited in amount of \$437,079.43 re: second progress invoice on land and promotion expenses.
3164.	Photostatic copy of bill from Dorchester Hotel, London, England dated August, 1964 covering five days' stay for Messrs. Timmins and Thomson.
3165.	Letter dated March 8, 1965 to Mr. Timmins from Manager, Dorchester Hotel informing Mr. Timmins that the hotel bill had been paid by Mr. J. E. Thomson of the Dalite Corporation.
3166.	Expense summary from records of Dalite Corporation (Canada) Limited dated December 16, 1964, with invoices and vouchers relating to claim of Eugene Last from Dalite Corporation in amount of \$10,449.89 for travelling and promotion expenses re: aviation club.
3167.	Expense account for period September 15 to December 17, 1964, submitted by Mr. Last to Dalite Corporation (Canada) Limited dated December 17, 1964 in amount of \$9,106.01.
3168.	Document of the Bank of Nova Scotia entitled, "Authority to Mail Vouchers", dated January 28, 1964 signed by Eugene Last directing that cancelled cheques for accounts of Daylite of Grand Bahama Company Limited be sent to 75 Brown's Line, Toronto 14.
3169.	Photostatic copies of deposit and credit slips re: bank account nos. 5160 (Canadian funds) and 4453-12 (U.S. funds) in name of Daylite of Grand Bahama Company Limited at the Bank of Nova Scotia in Toronto.
3170.	Photostatic copy of cheque, obtained from Price, Waterhouse in the Bahamas, dated July 13, 1964 in the amount of \$100,000 U.S. from Lucayan Beach Hotel Company Limited to Daylite of Grand

<i>Exhibit No.</i>	<i>Description</i>
	Bahama Company Limited together with Bank of Montreal draft purchase requisition.
3171.	Photostatic copy of cheque of the Lucayan Beach Hotel Company Limited on their British Mortgage Account payable to Daylite of Grand Bahama Company Limited in amount of \$90,682.65, dated July 13, 1964, certified July 17, 1964 re: payment respecting motel.
3172.	Copy U.S. dollar drafts and copy debit slip obtained from Price, Waterhouse in the Bahamas, charging Lucayan Beach Hotel Company Limited at British Mortgage & Trust Company with the cost of these drafts in amount of \$162,203.12 Canadian.
3173.	Photostatic copy of memorandum obtained from the receiver dated December 23, 1964, on Lucayan Beach Hotel Company Limited letterhead from D. J. Copperthwaite of Price, Waterhouse & Company to Mr. Eugene Last asking for details of transactions between Lucayan Beach Hotel Company Limited, Daylite of Grand Bahama Company Limited and Dalite Corporation (Canada) Limited.
3174.	Cheque obtained from the receiver dated December 31, 1964 drawn on the Canadian Imperial Bank of Commerce, payable to Daylite of Grand Bahama Company Limited in amount of \$103,487.84, from Bond & Cosman Limited.
3175.	Cheque dated January 5, 1965 from Commodore Sales Acceptance Limited to Bond & Cosman Limited, in amount of \$111,217.04.
3176.	Bank of Nova Scotia ledger sheet for transfer account of Dalite Corporation (Canada) Limited, with notice of transfer attached, for the month of January, 1965.
3177.	Photostatic copy of letter dated February 19, 1961, from E. Last to Dr. John N. Keesing re: Basic Industries Investment Corporation.
3178.	File containing miscellaneous correspondence, the first letter bearing date September 9, 1963, of Daylite of Grand Bahama Company Limited consisting of letters and correspondence back and forth between contractors and sub-contractors on the various Bahamian Projects.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3179.	Memorandum from files of Wagman, Fruitman & Lando dated October 26, 1964, to Dalite Corporation (Canada) Limited from Daylite of Grand Bahama Company Limited assigning job no. 221 to the aviation club with attached handwritten note from A. G. Woolfrey to F. Cockburn advising him to keep C. P. Morgan informed when expenditures are made on job no. 221.		Grand Bahama Company Limited showing that the material was delivered to Daylite of Grand Bahama Company Limited by San Jose Construction (Bahamas) Limited without charge.
3180.	Photostatic copy of memorandum dated June 18, 1965 to the District General Manager of the Royal Bank of Canada by the Manager of the Royal Bank of Canada in Freeport re: bank draft received by Royal Bank, Freeport in amount of \$296,420 U.S. from Canadian Imperial Bank of Commerce, Freeport with instructions from C. P. Morgan to hold it in escrow for account of Grand Bahama Development Company Limited pending conveyance of clear title on aviation club property.	3186.	Memorandum dated November 8, 1963, to all Grand Bahama Development Company contractors and sub-contractors from J. P. Roulett re: removal of soil, sand or plants from property on Grand Bahama without written approval.
3181.	Affidavit of John Leonard Biddell, dated June 21, 1966 with attached exhibits, made by Mr. Biddell as liquidator of Daylite of Grand Bahama Company Limited in connection with proceedings taken in the Bahamas by Duncan Hopper & Associates Limited, a creditor of Daylite of Grand Bahama in which it was sought to have a different liquidator appointed.	3187.	Photostatic copy of original affidavit by Eugene Last sworn on July 6, 1966, re: application to remove the liquidator of Daylite of Grand Bahama Company Limited.
3182.	Affidavit of John Leonard Biddell, dated July 14, 1966 with attached exhibits, made by Mr. Biddell giving additional information respecting some of matters in first affidavit—Exhibit No. 3181.	2940.1	Carbon copy of letter of resignation from files of Roberts, Archibald, Seagram & Cole dated June 11, 1963 to Dalite Corporation (Canada) Limited, Mr. Eugene Last, from Glick & Levine.
3183.	Unaudited financial statements of San Jose Construction (Bahamas) Limited as at April 30, 1965 obtained from the trustee.	3189.	Schedule prepared by Mr. Wolfman entitled "Dalite Corporation (Canada) Limited and Daylite of Grand Bahama Company Limited, Advances to Lucayan Beach Hotel Company Limited from Inception to August 31, 1965".
3184.	Letter, unsigned, from Julian O'Reilly to the liquidator of Daylite of Grand Bahama Company Limited dated 23 February, 1966 with a notation, "File Bahama Group" re: removal of sand by San Jose Construction (Bahamas) Limited from property to be used for aviation club.	1716.2	Report by H. K. Cooper, Chartered Accountant from file of Walton, Wagman & Co. dated 16 February, 1962 entitled "Dalite Corporation (Canada) Limited, Confidential Report re: Contract Estimating and Costing Methods".
3185.	Bundle of invoices relating to the delivery of sand and fill during October and November of 1964, found among records of Daylite of	3178.1	Letter dated April 27, 1964, from Mr. J. O'Reilly, Daylite of Grand Bahama Company Limited, to Mr. C. Martin, Lucaya Construction Company Limited, re: inefficiencies on construction projects for Daylite of Grand Bahama.
		3178.2	Letter dated July 2, 1964, from Lucaya Construction Company Limited to Mr. Julian O'Reilly, Daylite of Grand Bahama Company Limited, re: costs on Daylite projects.
		3178.3	Letter dated July 3, 1964, from Lucaya Construction Company Limited to Mr. Julian O'Reilly, Daylite of Grand Bahama Company Limited complaining about Daylite's part of project known as job no. 205, the forty duplex apartments.



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3194.	Audited financial statement of Symphony Paint Company for year ended 31 December, 1965, prepared by Smith, Winston, Wolman, Roth & Smith, Chartered Accountants and auditors of the Symphony Paint Company.		ceivable and shares of Daylite of Grand Bahama Company Limited and shares of D.H.I. Limited as directed by Commodore Sales.
3195.	Transfer sheets of general ledger for period 1953 to approximately 1963 and general ledger for period approximately 1963 to 1965 of Jacroy Canada Limited obtained from the trustee.	3202.	Seven-page document headed "Dalite Corporation (Canada) Limited", dated April 27, 1965, with a handwritten figure at bottom of first page in amount of \$1,091,973.58 which document relates to arrangement outlined in Exhibit No. 3201.
3196.	Transfer sheets for the general journal of Jacroy Canada Limited for the period 1959 to 1963 obtained from the trustee.	3203.	Undated unexecuted agreement headed "Bahama Island New Providence", (1965) between Dalite Corporation (Canada) Limited and Hugo Oppenheimbank (Canada) Limited by which Hugo Oppenheimbank agrees to assume all Debts of Dalite Corporation (Canada) and make payment of \$1,091,000 to Dalite in return for all receivables, all assets, all the companies in Grand Bahama and all stock of Daylite of Grand Bahama Company Limited held in escrow for Dalite Corporation (Canada) Limited.
3197.	Letter of intent dated August 1, 1964 from Lucayan Beach Hotel Limited to Dalite Corporation (Canada) Limited re: building of 150 room motel.	3204.	Photostatic copy of letter dated May 24, 1965, to Bernard A. Thompson, Solicitor, Nassau from E. Last resigning as Officer and Director of Daylite of Grand Bahama, Bahama Entertainment, San Jose Construction and The Lucayan Marina and enclosing share certificate in name of Dalite Corporation (Canada) for 55,000 one pound shares in Daylite of Grand Bahama endorsed in blank by Mr. Last as President of Dalite Corporation. Receipt of letter is acknowledged at foot of page by Mr. Thompson.
3198.	Memorandum obtained from Mr. Meher, Vice-President, Grand Bahama Development Company dated April 30, 1964, to James Meher from Ed Gadinsky, Secretary-Treasurer, on letterhead of Grand Bahama Development re: amount of claim of Grand Bahama Development against Lucayan Beach Hotel.	3205.	Photostatic copy, received from Mr. Last of undated unexecuted agreement headed "Draft, June 3, 1965" with pencilled notations, between Commodore Sales Acceptance Limited, Dalite Corporation (Canada) Limited and Eugene Last which was intended to implement Exhibit 3201.
3199.	Unaudited statement of receipts and payments of Bahama Entertainment Limited prepared by Price Waterhouse & Company, dated February 17, 1965 received by Eugene Last re: drivers' club.	3206.	Series of documents obtained from Mr. Morgan by Mr. E. Last consisting of one registered letter dated May 4th, 1962, to C. Powell Morgan, from Solomon Singer & Rosen, to which is annexed two share certificates relating to shares of Dalite (Canada), one for common shares, and one for preference shares, and two documents headed "Declaration of Trust".
3200.	Carbon copy of letter dated January 8, 1965, from Eugene Last, Daylite of Grand Bahama Company Limited, to Mr. Jack Tramiel, authorizing Mr. Tramiel to proceed with the disposition of the projects of Daylite of Grand Bahama. Attached is a carbon copy of a letter from S. J. Hogg, Dalite Corporation (Canada) Limited to Mr. J. Tramiel Commodore Business Machines (Canada) Limited listing various projects and their selling prices.		
3201.	Photostatic copy of letter of intent dated May 28, 1965, between Commodore Sales Acceptance Limited and Dalite Corporation (Canada) Limited and Eugene Last by which Commodore Sales proposes to discharge Dalite Corporation and E. Last of all obligations and furnish Dalite with \$1,091,000 in return for Dalite assigning the accounts re-		



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3207.	Cheque of Dalite Corporation (Canada) Limited, no. 0054, dated 9 January, 1963, payable to George H. Weinrott in the amount of \$15,000, signed on behalf of company by L. Martin.	1030.1	Carbon copy of letter from files of Solomon, Singer & Solway dated September 22, 1964, to Mr. Leonard Koryta, President, Symphony Paint Company, from Robert L. Lewis, Messrs. Ulmer, Berne, Laronge, Glickman & Curtis, enclosing share certificates for common and preferred stock of Symphony Paint Company registered in name of Carl Solomon, trustee.
3208.	Handwritten document of Mr. O'Reilly, in Freeport, headed "Freeport, Grand Bahama Island, January 12, 1965" being agreement as to shareholdings in and management of San Jose Construction, signed by A. Zinno, E. Last, S. J. Hogg, J. O'Reilly, M. Last and A. Drohan.	1030.2	Carbon copy of letter from files of Solomon, Singer & Solway dated October 10, 1962, to Mr. Leonard D. Koryta, President, Symphony Paint Company, from Robert L. Lewis Messrs. Ulmer, Berne, Laronge, Glickman & Curtis advising of filing of certificate of amendment to articles of incorporation, changing name of company from The Jacroy Company to Symphony Paint Company and notifying election of directors and officers as specified by Mr. Morgan.
3209.	Two-page agreement dated November 3, 1964, between Daylite of Grand Bahama Company Limited and San Jose Construction (Bahamas) Limited re: preparation of the site and soil tests for construction of the aviation club.	3217.	Schedule prepared by Mr. Langman entitled "Symphony Paint Company — Comparative Statement of Financial Position" with Statement of deficit attached December 31, 1961 to December 31, 1965.
3210.	Invoice from Kelly Tractor Company, addressed to Mr. Alan Manus, M/V Aquila, West Palm Beach, Florida relating to "Transportation, parts, labour, to repair raw water pump, etc." in amount of \$223.79 with notation "Paid May 20/64, Cheque".	893.1	Two-page ink written memorandum from files of Solomon, Singer & Solway, the first line entitled, "November 13, 1961, Morgan and Meckler at 4 o'clock p.m." — Re: loan to the Jacroy Company.
3211.	Schedule prepared by Mr. Langman headed, "Symphony Paint Company, Common Shares Issued, Transferred and Outstanding for the period March 2, 1955 to September 22, 1964, as recorded in the Company's Common Stock Certificate Book".	893.2	Thirteen-page draft agreement made in quadruplicate from files of Solomon, Singer & Solway dated the blank day of November, 1961, between The Jacroy Company, M.L.B. Investments Limited, Jacroy Canada Limited, J. G. Meckler and M. J. Lazar, R. A. Treter and Commodore Factors Limited re: loan of \$250,000 from Commodore Factors Limited to The Jacroy Company.
911.1	Carbon copy from files of Solomon, Singer & Solway of an unsigned direction dated blank day of April, 1964, from C. Powell Morgan to Carl M. Solomon, re: sale of 780 common shares of Symphony Paint Company to L. D. Koryta and M. J. Lang per agreement dated December 4, 1963.	911.2	Two-page original certification of a resolution of the Jacroy Company re: loan of \$250,000 from Commodore Factors Limited taken from the minutes of meeting held 30 November, 1961, from files of Solomon, Singer & Solway.
3213.	Photostatic copy of letter received from R. L. Lewis, Solicitor of Ulmer, Berne etc. dated August 12, 1966, to Mr. William Warren, Forest City Enterprises, Cleveland Ohio from Messrs. Ulmer, Berne, Laronge, Glickman & Curtis, showing current shareholders of Symphony Paint Company.	911.3	Original certified copy of resolutions from files of Solomon, Singer & Solway, certified by Robert L. Lewis Assistant Secretary of The
3214.	Schedule prepared by Mr. Langman entitled "Symphony Paint Company, Preferred Shareholders as at September 22, 1964".		

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- Jacroy Company, on January 22, 1962, amending Exhibit No. 911.2 to authorize the borrowing of \$350,000 from Commodore Factors Limited.
3222. Schedule prepared by Mr. Langman entitled, "Symphony Paint Company, Transactions with Commodore Factors Limited Incorporating Non-Cash Entries to Reconcile with General Ledger Accounts" taken from Commodore Factor Cash Books and Symphony Paint Company books of account.
- 911.4 Original letter from files of Solomon, Singer & Solway dated July 27, 1962, to The Canada Trust Company acknowledging that the Jacroy Company has defaulted in the repayment of its indebtedness to Commodore Factors Limited signed for the Jacroy Company by J. G. Meckler, President.
- 911.5 Original two-page affidavit from files of Solomon, Singer & Solway, signed by C. P. Morgan as President of Commodore Factors Limited but not sworn, with attached photostatic copy of affidavit of notice of default of August 3, 1962 of the Jacroy Company.
3225. Schedule prepared by Mr. Langman entitled "Symphony Paint Company. Schedule of Interest Capitalized by Commodore Factors Limited per Books of Commodore Factors Limited".
3226. Schedule prepared by Mr. Langman entitled "Symphony Paint Company Limited, security for Loans from Commodore Factors Limited".
- 1635.1 Original agreement from office of Walton, Wagman & Co. being acknowledgment, authorization and release dated January 3, 1963, signed by J. George Meckler and Maurice Lazar, and signed on behalf of Commodore Factors Limited by C. P. Morgan by which the default is acknowledged, authorization is given to sell pledged shares for a consideration of \$20,000 and J. G. Meckler and M. Lazar are released from any further action as against debt.
- 911.6 Carbon copy of reporting letter dated March 28, 1962, from I. Singer of Solomon & Samuel to Commodore Factors Limited, re:

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- Commodore Factors Limited loan to the Jacroy Company.
- 911.7 Carbon copy from files of Solomon, Singer & Solway of inventory and accounts receivable security agreement, made the blank day of the blank month, 1962, between Commodore Factors Limited and the Jacroy Company signed only on behalf of Commodore Factors Limited by C. P. Morgan.
3230. Schedule prepared by Mr. Langman entitled "Jacroy Canada Limited — Preference Shares Issued, Transferred and Outstanding for the period, January 5, 1953, to October 23, 1963" as recorded in minute book of the Company.
3231. Schedule prepared by Mr. Langman entitled "Jacroy Canada Limited, Common Shares Issued, Transferred and Outstanding for the period January 5, 1953, to October 23, 1963" as recorded in the minute book of the Company.
3232. Schedule prepared by Mr. Langman entitled "Jacroy Canada Limited, Comparative Statement of Financial Position" from December 31, 1959 to December 31, 1964.
- 1855.1 Cheque dated July 11, 1963 payable to Jacroy Canada Limited drawn on the Trio Account, no. 13324 of the Guaranty Trust Company, in the amount of \$100,000.
3234. Photostatic copy of agreement made 4 December, 1963, between Carl M. Solomon, Leonard D. Koryta and Max J. Lang by which 25% of the outstanding Capital Stock of Symphony Paint Company is transferred to Messrs. Koryta and Lang by Mr. Solomon with an option to purchase a further 25%.
3235. Original of direction (Exhibit no. 911.1) dated 22 April, 1964, signed by C. P. Morgan and addressed to Carl M. Solomon re: sale of 780 common shares of Symphony Paint Company to L. D. Koryta and M. J. Lang per agreement dated December 4, 1963.
3236. Bundle of documents consisting of (1) original handwritten memorandum dated June 22, 1965 from C. P. Morgan to C. M. Solomon; (2) carbon copy of two-page letter, Solomon & Singer to Robert L. Lewis, Messrs. Ulmer, Berne,

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
	Laronge, Glickman & Curtis dated June 22, 1964; (3) carbon copy of letter of Carl M. Solomon to C. Powell Morgan dated June 22, 1964; (4) carbon copy of letter of Solomon & Singer to Robert L. Lewis of June 25, 1964 all of which correspondence deals with the transferring of the shares of Symphony Paint Company held in trust by C. M. Solomon for C. P. Morgan.		of Term Notes, Due December 31, 1964 and 6% Convertible Debentures, Due August 15, 1975, Outstanding".
3237.	Carbon copy of registered letter dated October 20, 1965 to Ulmer, Berne, Laronge, Glickman & Curtis, from Solomon, Singer & Solway re: shares of Symphony Paint Company.	3245.	Certified copies of documents on file with the Department of the Provincial Secretary for the Province of Ontario re: Netherlands Overseas Corporation Canada Limited.
3238.	Original direction to Carl M. Solomon dated blank day of August, 1965, signed by C. P. Morgan authorizing Mr. Solomon to deliver all common and preference share certificates in the capital stock of Symphony Paint Company, held by Mr. Solomon as trustee for Mr. Morgan, to The Clarkson Company Limited.	3246.	Carbon copy of memorandum received from the files of Annett & Company dated December 21, 1959, addressed to Messrs. D. R. Annett, J. W. Annett, T. A. W. Duncan, E. J. Allman from C. G. King notifying them of meeting of directors of Commodore Sales Acceptance on December 23, 1959 with attached notice of annual meeting of shareholders dated January 27, 1960 and attached thereto balance sheet and statement of income and expenditures of Commodore Sales Acceptance Limited as at December 31, 1959 signed as approved by C. P. Morgan.
3239.	Schedule prepared by Mr. McLoughlin entitled "Commodore Sales Acceptance Limited, List of Directors Since Date of Incorporation up to and including June 17, 1965".	3247.	Original letter dated December 28, 1959, from Commodore Sales Acceptance Limited to Annett & Company Limited, showing the list of shareholders to whom dividends are to be paid with enclosed cheque in the amount of \$10,000.
3240.	Schedule prepared by Mr. McLoughlin entitled "Commodore Sales Acceptance Limited, List of Officers Since Date of Incorporation up to and including June 17, 1965".	3248.	Memorandum obtained from files of Annett Partners Limited, from C. G. King dated June 21, 1960 dealing generally with position of Commodore Sales Acceptance Limited as of June, 1960.
3241.	Schedule prepared by Mr. McLoughlin entitled "Commodore Sales Acceptance Limited, Allotment of Common Shares as per Directors' Minutes March 6, 1959, to December 26, 1959".	3249.	Handwritten schedule obtained from offices of Atlantic Acceptance Corporation Limited entitled "Commodore Sales Common Stock Acquired by Atlantic Acceptance Corporation Limited for \$6 per Share".
3242.	Schedule prepared by Mr. McLoughlin entitled "Commodore Sales Acceptance Limited, Analysis of Demand and Term Notes. Due December 31, 1964 Outstanding".	3250.	Cheque no. 27587 of Atlantic Acceptance Corporation Limited drawn on the Toronto-Dominion Bank, Oakville in the amount of \$12,000 dated April 27, 1961 payable to William H. Wallace.
3243.	Certified copies of documents on file with the Deputy Registrar for companies for the Province of British Columbia, Canada re: Van-Bur Limited.	3251.	Cheque no. 27545 of Atlantic Acceptance Corporation Limited drawn on the Toronto-Dominion Bank, Oakville, in the amount of \$18,432 dated March 16, 1961, payable to Annett Partners Limited.
3244.	Schedule prepared by Mr. McLoughlin entitled "Commodore Sales Acceptance Limited, Analysis		



<i>Exhibit No.</i>	<i>Description</i>
3252.	Cheque no. 27530 of Atlantic Acceptance Corporation Limited drawn on the Toronto-Dominion Bank, Oakville, in the amount of \$28,260 dated March 1, 1961, payable to Annett Partners Limited.
3253.	Cheque no. 27700 of Atlantic Acceptance Corporation Limited drawn on the Toronto-Dominion Bank, Oakville, in the amount of \$9,200.64 dated February 27, 1961, payable to J. C. Laidlaw.
3254.	Cheque no. 27687 of Atlantic Acceptance Corporation Limited drawn on the Toronto-Dominion Bank, Oakville, in the amount of \$30,000 dated February 16, 1961 payable to Netherlands Overseas Corporation Canada Limited.
3255.	Handwritten schedule obtained from offices of Atlantic Acceptance Corporation Limited entitled "Commodore Sales Common Stock Acquired by Atlantic Acceptance, 3 Shares of A.A.C. Common in exchange for 8 Shares C.S.A.L. Common".
3256.	Document received from Eastern & Chartered Trust Company entitled "Direction to Issue Treasury Stock" given to Chartered Trust Company, signed on behalf of Atlantic Acceptance Corporation Limited by C. P. Morgan and B. L. McFadden, dated May 11, 1961 and attached form of Chartered Trust Company entitled "Instructions to Issue Treasury Stock" dated May 12, 1961.
3257.	Handwritten document entitled "Commodore Sales Debentures acquired by Atlantic Acceptance —75 Shares of A.A.C. Common Stock in exchange for each \$1,000 Principal Amount of C.S.A.L. Debentures".
3258.	Four documents received from Eastern & Chartered Trust Company, two entitled "Direction to Issue Treasury Stock", given to Chartered Trust Company, signed on behalf of Atlantic Acceptance Corporation Limited by C. P. Morgan and B. L. McFadden with two attached forms of Chartered Trust Company entitled "Instructions to Issue Treasury Stock", all documents being dated May 8, 1961.
3259.	Series of clients' ledger cards from Annett & Company Limited.

<i>Exhibit No.</i>	<i>Description</i>
3260.	Schedule prepared by Mr. McLoughlin entitled "D. R. Annett, Excess of Proceeds of Sale over Cost of Commodore Sales Acceptance Limited".
3261.	Schedule prepared by Mr. McLoughlin entitled "British Mortgage & Trust Company, Excess of Proceeds of Sale over Cost of Commodore Sales Acceptance Limited".
3262.	Photostatic copy of ledger card of British Mortgage & Trust Company entitled "Commodore Sales Acceptance Limited 6% Demand Note" from November 1959 to May 1961.
3263.	Photostatic copy of ledger card of British Mortgage & Trust Company entitled "Commodore Sales Acceptance Limited Common Shares".
3264.	Schedule prepared by Mr. McLoughlin entitled "A. T. Christie, Excess of Proceeds of Sale over Cost of Commodore Sales Acceptance Limited".
3265.	Schedule prepared by Mr. McLoughlin entitled "Kathleen Christie, Excess of Proceeds of Sale over Cost of Commodore Sales Acceptance Limited".
3266.	Schedule prepared by Mr. McLoughlin entitled "W. P. Gregory, Excess of Proceeds of Sale over Cost of Commodore Sales Acceptance Limited".
3267.	Schedule prepared by Mr. McLoughlin entitled "Manfred Kapp, Estelle Kapp, Helen Tramiel and Commodore Portable Typewriter Company Limited, Excess of Proceeds of Sale over Cost of Commodore Sales Acceptance Limited".
3268.	Schedule prepared by Mr. McLoughlin entitled "Carman G. King, Excess of Proceeds of Sale over Cost of Commodore Sales Acceptance Limited".
3269.	Schedule prepared by Mr. McLoughlin entitled "J. C. Laidlaw, Excess of Proceeds of Sale over Cost of Commodore Sales Acceptance Limited".
3270.	Schedule prepared by Mr. McLoughlin entitled "C. P. Morgan, Excess of Proceeds of Sale over Cost of Commodore Sales Acceptance Limited".



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3271.	Photostatic copy of ledger card of C. P. Morgan at Netherlands Overseas Corporation Canada Limited for the period October 3, 1960 to July 19, 1961.	3279.	Schedule prepared by Mr. McLoughlin entitled "William H. Wallace and Van-Bur Limited, Excess of Proceeds of Sale over Cost of Commodore Sales Acceptance Limited".
3272.	Photostatic copy of contract no. P.502 of Netherlands Overseas Corporation Canada Limited received from that office, in name of C. P. Morgan recording purchase of \$25,000 principal Commodore Sales Acceptance Limited 6% convertible debentures, transaction date February 10, 1961.	3280.	Summary schedule prepared by Mr. McLoughlin entitled "Excess of Proceeds of Sale over Cost of Commodore Sales Acceptance Limited Common Shares and 6% Convertible Debentures due August 15, 1975".
3273.	Photostatic copies of contracts S482 and S483 of Netherlands Overseas Corporation Canada Limited received from that office, in name of C. P. Morgan recording respectively sale of 3,000 and 2,000 common shares of Commodore Sales Acceptance Limited Transaction date February 10, 1961.	3281.	File obtained from Atlantic Acceptance Corporation Limited marked "Commodore Sales Acceptance" containing material in connection with the Acquisition of the Minority Interest in Commodore Sales Acceptance Limited.
3274.	Photostatic copy of letter, received from office of Netherlands Overseas Corporation Canada Limited dated February 17, 1961 to C. P. Morgan from J. R. Shemilt enclosing three certificates for \$25,000 par value Commodore Sales Acceptance Limited 6% convertible debentures, receipt of certificates is acknowledged on bottom of letter by C. P. Morgan.	3282.	File obtained from Atlantic Acceptance Corporation Limited entitled "Cancelled Share Certificates" re: Commodore Sales Acceptance Limited.
3275.	Photostatic copy of letter received from office of Netherlands Overseas Corporation Canada Limited dated February 17, 1961 to C. P. Morgan from J. R. Shemilt acknowledging receipt of certificates for 5,000 common shares of Commodore Sales Acceptance Limited.	3283.	Unmarked file from Atlantic Acceptance Corporation Limited containing material in connection with the acquisition of the minority interest in Commodore Sales Acceptance Limited—first document being carbon copy of letter dated April 1, 1963, to Department of National Revenue, Hamilton, Ontario, signed "D. Davidson, Secretary-Treasurer".
3276.	Photostatic copies of seven advice slips of Netherlands Overseas Corporation Canada Limited received from that office for entries in the account of C. P. Morgan and one cheque stub of Atlantic Acceptance Corporation Limited.	3283.1	Carbon copy of nine-page letter from file of Atlantic Acceptance Corporation Limited from D. Davidson, Secretary-Treasurer, to Department of National Revenue, Taxation Division, Hamilton, Ontario being a letter of explanation in connection with the acquisition by Atlantic Acceptance Corporation Limited of securities of Commodore Sales Acceptance Limited.
3277.	Schedule prepared by Mr. McLoughlin entitled "Louis W. Spencer and Renel Investments Limited, Excess of Proceeds of Sale over Cost of Commodore Sales Acceptance Limited".	3285.	Photostatic copies of five ledger sheets of British Mortgage & Trust Corporation of Ontario received from offices of Victoria and Grey Trust Company for the portfolio of the Company for Atlantic Acceptance Corporation Limited common stock, June 19, 1959, to July 19, 1965.
3278.	Schedule prepared by Mr. McLoughlin entitled "Harry Wagman, Excess of Proceeds of Sale over Cost of Commodore Sales Acceptance Limited".	3286.	Photostatic copy of British Mortgage & Trust Company cheque no. A4081, to Annett Partners Limited in the amount of \$110,000 dated May 15, 1961.

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3287. Photostatic copy from files of Atlantic Acceptance Corporation Limited of letter of committal from Cimcony Limited, Nassau, Bahamas, to Atlantic Acceptance Corporation Limited, dated September 11, 1964 by which Cimcony Limited agrees to take for sale 120,000 shares of common stock of Atlantic Acceptance and \$3,000,000 U.S. of junior subordinated notes for \$4,900,000 U.S.
3288. Letter from files of Atlantic Acceptance Corporation Limited on the letterhead of Great Northern Capital Corporation Limited, dated September 30, 1964, addressed to Atlantic Acceptance Corporation Limited and signed by Anthony C. Rooney, Vice-President, by which Great Northern Capital agrees, subject to certain conditions, to purchase 120,000 common shares of Atlantic Acceptance. Letter is also signed by Mr. Morgan as agreeing to terms of letter.
3289. Photostatic copy from files of Atlantic Acceptance Corporation Limited of an original letter from the Toronto Stock Exchange to the solicitors for Atlantic Acceptance, being Osler, Hoskin & Harcourt, dated September 17, 1964 advising that notice of proposed sale of 120,000 common shares at \$18 a share to Great Northern Capital Corporation Limited and a further 120,000 common shares at \$18 a share to E. D. Sassoon's Bank of Nassau for nominee has been accepted for filing.
3290. Signed carbon copy of letter from Osler, Hoskin & Harcourt to Toronto Stock Exchange, dated November 24, 1964, advising of sale of 240,000 common shares of Atlantic Acceptance Corporation Limited.
3291. Note no. STN. 2416 dated September 30, 1964 from Atlantic Acceptance Corporation Limited to Great Northern Capital Corporation Limited in amount of \$2 million, due date November 30, 1964.
3292. Photostatic copy of sheet entitled "Journal Voucher No. 302" dated September 30, 1964 taken from books of account of Atlantic Acceptance.
3293. Photostatic copy of work sheet of Atlantic Corporation Limited en-

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- titled "Statement Entries" dated September 30, 1964 being journal entries made for the purpose of treating transactions in the statement of Atlantic but not recorded permanently in the books of the company.
3294. Photostatic copy of letter dated October 1, 1964 from D. N. MacGowan of executive office to D. R. Lytle of head office of Atlantic Acceptance Corporation Limited advising the aggregate amount of short-term notes outstanding at September 30, 1964.
3295. Copy of letter from files of Atlantic Acceptance Corporation Limited dated October 28, 1964, from C. Powell Morgan of Atlantic Acceptance to A. T. Christie, Great Northern Capital Corporation Limited confirming committal of Hugo Oppenheim und Sohn to purchase 120,000 common shares of Atlantic Acceptance with telegram of committal from Hugo Oppenheim attached.
3296. Copy of financial report and statement of Hugo Oppenheim und Sohn as at December 31, 1964 in German prepared by Arthur Andersen and Sons, Berlin, with an English translation attached which the receiver of Atlantic Acceptance had made in Canada.
3297. Certified cheque no. 79997 of Atlantic Acceptance Corporation Limited to Commodore Sales Acceptance Limited dated November 10, 1964, in amount of \$2,750,000.
3298. Cheque no. 6442 of Commodore Sales Acceptance Limited to Aurora Leasing Corporation Limited dated November 10, 1964, in the amount of \$2,750,000.
3299. Bank debit notice dated November 10, 1964 of the Canadian Imperial Bank of Commerce debiting account of Aurora Leasing Corporation Limited in amount of \$2,075,027.55 for cable transfer to Hugo Oppenheim und Sohn Nachf., Berlin, payment to Jack Tramiel.
3300. Photostatic copy of letter from Trans Commercial Acceptance Limited to Evermac Office Equipment Company Limited obtained from records of trustee dated December 31, 1964 notifying Evermac

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
	that advances of \$135,500 and \$43,700 previously charged to J. Tramiel by Trans Commercial Acceptance were now being transferred to Evermac for whom J. Tramiel had purportedly acted as Agent.	3308.	Letter obtained from Atlantic Acceptance Corporation Limited to Hugo Oppenheim und Sohn Nachf., Berlin, dated November 24, 1964 from Atlantic Acceptance enclosing share certificate for 120,000 common shares of Atlantic Acceptance and acknowledging receipt of \$2,160,000 as "payment in full" for shares. Receipt of share certificate is acknowledged by W. Wirth for Hugo Oppenheim.
3301.	Photostatic copy of letter of reply from Evermac Office Equipment Company Limited to Trans Commercial Acceptance Limited, obtained from records of trustee dated January 6, 1965 agreeing to transaction set out in letter of Trans Commercial Acceptance (Exhibit No. 3300).	3309.	Photostatic copies of two sheets from cash receipts book of Atlantic Acceptance Corporation Limited which show receipt of \$2,160,000 on November 25, 1964 for sale of 120,000 shares of common stock.
3302.	Cancelled cheque of Jack Tramiel payable to Hugo Oppenheim und Sohn date September 30, 1964, in the amount of \$135,501 drawn on the Mercantile Bank of Canada.	3310.	Conformed copy of trust indenture for issuance of junior subordinated notes dated July 15, 1964 between Atlantic Acceptance Corporation Limited and Montreal Trust Company.
3303.	Cheque of Trans Commercial Acceptance Limited payable to Jack Tramiel dated December 9, 1964, in amount of \$43,700 drawn on Bank of Nova Scotia.	3311.	Supplementary indenture of Trust to the trust deed (Ex. no. 3310) dated August 15, 1964.
3304.	Cheque of Trans Commercial Acceptance Limited payable to J. Tramiel dated October 13, 1964 in the amount of \$135,500 drawn on Bank of Nova Scotia.	3312.	Supplementary indenture of trust to the trust deed (Ex. no. 3310) dated September 28, 1964.
3305.	Cheque of Jack Tramiel payable to Hugo Oppenheimbank, dated December 1, 1964 in amount of \$43,700 drawn on the Mercantile Bank of Canada.	3313.	Supplementary indenture of trust to the trust deed (Ex. no. 3310) dated February 1, 1965.
3306.	Photostatic copy of original letter in German with translation attached obtained from the receiver from Hugo Oppenheim und Sohn, to Mr. Jack Tramiel, dated March 2, 1965 notifying delivery of D.M. 8,127,500 shares of the Company to Mr. Tramiel's account with American Express Company, Frankfurt.	3314.	Supplementary indenture of trust to the trust deed (Ex. no. 3310) dated May 15, 1965.
989.1	Declaration of trust, dated February 16, 1965 from file of Solomon & Singer entitled "Evermac Office Equipment Company Limited" in which Jack Tramiel acknowledges that share certificates of Hugo Oppenheim und Sohn Nachf. having an aggregate nominal value of 8,127,500 D.M. registered in his name are held by him as trustee for Evermac Office Equipment Company Limited.	3315.	Copy of bill from files of Atlantic Acceptance Corporation Limited dated 1 September, 1964 on Cimcony Limited letterhead to Atlantic Acceptance Corporation Limited marked "For Professional Financial Advisory Services Rendered August 17, 1964—\$31,250" with handwritten notation apparently by an employee of Atlantic "Senior—Ser. P—\$18,750, Jr. Sub-Ser. 1—\$10,000, Jr. Sub-Ser. 2—\$2,500".
		3316.	Accountants' work sheet dated December 31, 1964 for Atlantic Acceptance Corporation Limited summarizing issues of subordinated and junior subordinated debt.
		3317.	Cheque no. 1237 of Atlantic Acceptance Corporation Limited dated December 1, 1964 in the amount of \$31,250. to Cimcony Limited.



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3318. Photostatic copy of Atlantic Acceptance Corporation Limited cheque voucher for cheque no. 1266 in the amount of \$40,000 U.S. dated 9 February, 1965 for payment to the Bank of Nova Scotia with notation "Replacing Cheque No. 1264 dated February 1, 1965 which was lost", this being a cheque payable to Cimcony Limited.
3319. Invoice of Kuhn Loeb and Company to Atlantic Acceptance Corporation Limited dated 26 February, 1965 in amount of \$84,100 U.S. reading "For Financial Advice in Connection with Creation of Your Senior Notes Series R. and Subordinated Notes 4th Series".
3320. Copy of cheque voucher of Atlantic Acceptance Corporation Limited for cheque no. 1264 in the amount of \$40,000 U.S. dated February 1, 1965 payable to Cimcony Limited which cheque when lost was replaced by cheque no. 1266.
3321. Photostatic copy of balance sheet of Cimcony Limited at 31 January, 1965 received from the trustee in bankruptcy, showing Commissions receivable as \$176,750.
3322. Working papers associated with Exhibit no. 3321 showing under breakdown of commission receivable, 2% on 120,000 common shares of Atlantic Acceptance Corporation Limited taken up, \$40,000.
3323. Photostatic copy of letter from D. N. MacGowan, Atlantic Acceptance executive office to P. Prouse, Atlantic Acceptance head office, Oakville dated November 24, 1964 informing Mr. Prouse that short-term note no. 2416 for \$2,000,000 in favour of Great Northern Capital Corporation due November 30, 1964 has been substituted into 120,000 shares of common stock of Atlantic Acceptance at \$18.00 per share for total value of \$2,160,000 with additional \$160,000 having been paid to Atlantic on that day.
3324. Letter from Great Northern Capital Corporation Limited signed by A. R. Voelker to Atlantic Acceptance Corporation Limited dated November 24, 1964 enclosing cheque for \$160,000 and note of Atlantic for \$2,000,000 as full payment for 120,000 common shares

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- of Atlantic receipt of shares being acknowledged.
3325. Copy of letter from files of C. P. Morgan dated December 17, 1964 from Atlantic Acceptance Corporation Limited, signed "C.P.M." to Bank of Montreal Agency, New York guaranteeing loan of \$1 million U.S. to Lambert & Company to be dated December 1964 together with existing loan of \$1 million U.S.
3326. Bundle of documents from Bank of Montreal: report of the Bank dated December 7, 1964 and group of telegrams re: loan made by the Bank of Montreal to Lambert & Company on guarantee of Atlantic Acceptance Corporation Limited.
3327. Certified cheque in amount of \$2,200,000 dated January 18, 1965, payable to Commodore Factors Limited from Atlantic Acceptance Corporation Limited.
3328. Cancelled cheque from records of Commodore Factors Limited in amount of \$2,148,125, dated January 18, 1965 to Bank of Nova Scotia from Commodore Factors Limited with notation on the back "Re: Motion Picture Security Corporation".
3329. Photostatic copy of letter from records of Commodore Factors Limited on Motion Picture Security Corporation letterhead dated January 18, 1965 to Mr. A. G. Woolfrey, Commodore Factors Limited authorizing Mr. Woolfrey to make a loan of \$2 million U.S. on behalf of Motion Picture Security to Cushing & Co.
3330. Photostatic copy of a collateral agreement between Motion Picture Security Corporation and Cushing & Company, dated January 18, 1965 by which Motion Picture Security Corporation agrees to lend Cushing & Co. \$2,000,000 U.S. on collateral security of promissory note due September 30, 1965 and 787,000 shares of common stock of Camerina Petroleum.
3331. Photostatic copy of Commodore Factors Limited note receivable ledger sheet in relation to Motion Picture Security Corporation showing loan of \$2 million to Motion Picture Security on January 18, 1965.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3332.	Photostatic copy from files of Atlantic Acceptance Corporation Limited of a collateral deposit form no. 974 dated March 31, 1965 showing that forty promissory notes each in amount of \$50,000 from Motion Picture Security are lodged as security for loan of \$2 million in compliance with the provisions of the trust deed.	3340.	Photostatic copy of indenture being agreement of purchase and sale dated 21 January, 1965, between London Lighthouse Investments Limited and P. F. Boylen, received from Messrs. Ruwald & Poolman, solicitors for Great West Saddlery Company Limited.
3333.	Photostatic copy of a draft agreement from records of trustee between Aurora Leasing Corporation Limited and Cushing & Co. dated March 20, 1963 by which Aurora Leasing agrees to lend to Cushing & Co. \$1,350,000 Cdn. for a period of 18 months against security of promissory note in that amount and 787,000 shares of common stock of Camerina Petroleum.	3341.	Certified copy of indenture, being assignment of lease, dated 29 January, 1965 between Philip F. Boylen and London Lighthouse Investments Limited registered as Instrument No. 180060 in Registry Office, Halton Co.
3334.	Certified abstract of title from Registry Office, Halton Co. pertaining to part of Lot 11, 2nd Concession South of Dundas Street, Oakville, commencing with Instrument No. 133670 registered 18 January 1962 and closing with Instrument No. 194797 registered 8 December 1965.	3342.	Chart prepared by Mr. Moreton entitled "Movement of Funds in Acquisition of Atlantic Acceptance Head Office Property by London Lighthouse Investments Limited".
3335.	Schedule prepared by Mr. Moreton entitled "London Lighthouse Investments Limited, Extracts from the Minute Book and Share Records".	3343.	Telegram obtained from Clarkson Company Limited dated January 22, 1965, from London Lighthouse Investments Limited to David McGowan, c/o Atlantic Acceptance Corporation Limited, 100 Adelaide Street West, Toronto authorizing Mr. McGowan to deposit with Crown Trust Company notes of Atlantic Acceptance total face value \$150,000 in accordance with escrow instructions referred to in Exhibit no. 3340.
3336.	Five files and three common share certificates of London Lighthouse Investments Limited, received from Clarkson Company Limited.	3344.	Original cheque no. 17636 of Atlantic Acceptance Corporation Limited dated January 22, 1965 drawn on the Toronto-Dominion Bank in favour of Adelaide Acceptance Limited in the amount of \$150,000 and attached thereto copy of cheque with remittance advice marked "Inter Company Loan".
3337.	Certified copy of indenture being lease dated 1 December, 1961 between Malar Holdings Limited and Atlantic Acceptance Corporation Limited registered as Instrument No. 133670 in Registry Office, Halton Co.	3345.	Cheque no. 86 of Adelaide Acceptance Limited, dated January 22, 1965 drawn on the Toronto-Dominion Bank in favour of Atlantic Acceptance Corporation Limited in the amount of \$150,000.
3338.	Certified copy of indenture being assignment of lease dated 10 April 1962, Malar Holdings Limited to Oakville Properties Limited registered as Instrument No. 137424 in Registry Office, Halton Co.	3346.	Deposit slip dated January 22, 1965, from the Toronto-Dominion Bank showing deposit of cheque of Adelaide Acceptance Limited in favour of Atlantic Acceptance Corporation Limited in the amount of \$150,000 for purchase of short term note 2853.
3339.	Certified copy of memorandum of agreement dated February 1, 1963, between Oakville Properties Limited and Atlantic Acceptance Corporation Limited registered as Instrument No. 149409 in Registry Office, Halton Co.	3347.	Photostatic copies of a bundle of documents received from Royal Bank of Canada first of which is entitled "Escrow Rule 267", the

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
	last of which is a copy of a letter dated April 7, 1965 from the Canadian Imperial Bank of Commerce to the Royal Bank of Canada, Freeport, Grand Bahama—re Analogue Controls Inc.		re: Pilkey showing receipt of cheque from Reid and Associates in amount of \$448,858.03 on February 19, 1965 with a disbursement in the same amount to Great West Saddlery Co. with notation "Lighthouse Investments purch. from Boylen".
3348.	Photostatic copy of a cheque drawn by British Mortgage & Trust Company on the Canadian Imperial Bank of Commerce in favour of Atlantic Acceptance Corporation Limited on February 18, 1965 for \$480,000.	3356.	Photostatic copy of cheque from Ruwald & Poolman Trust Account to Great West Saddlery Company Limited dated February 19, 1965 in amount of \$448,858.03 with notation "Lighthouse Investments and Boylen".
3349.	Duplicate deposit slip of the Toronto-Dominion Bank, February 19, 1965 showing deposit of cheque from British Mortgage & Trust Company to account of Atlantic Acceptance Corporation Limited in amount of \$480,000 with notation "re: London Lighthouse".	3357.	Certified copy of indenture being assignment of mortgage dated 18 February 1965, between Philip F. Boylen and Atlantic Acceptance Corporation Limited registered as Instrument No. 180061 in Registry Office, Halton Co.
3350.	Cheque drawn by Atlantic Acceptance Corporation Limited on the Toronto-Dominion Bank in favour of Reid and Associates trust account dated February 19, 1965, in amount of \$328,975 together with duplicate cheque and remittance advice with notation "Disbursements against Cheque for \$480,000 deposited today from London Lighthouse Investments Limited".	3358.	Letter dated October 5, 1966, from Montreal Trust Company to the Royal Commission on Atlantic Acceptance Corporation Limited, attention A. W. Moreton, listing medium term senior notes of Atlantic Acceptance held by Burlington Investments Limited and Mrs. Nedra Pilkey in total amount of \$150,000.
3351.	Cheque drawn by Atlantic Acceptance Corporation Limited on the Toronto-Dominion Bank in favour of Adelaide Acceptance Limited February 19, 1965 in amount of \$151,025 together with duplicate cheque and remittance advice.	3359.	Statement from Mr. A. T. Holland of Great West Saddlery Company Limited entitled "Comments on The Flow of Funds on Closing 19th of February, 1965" re: transactions between Gordon E. Pilkey and Associates, Great West Saddlery Company Limited and Subsidiary Companies and London Lighthouse Investments Limited.
3352.	Cheque drawn by Adelaide Acceptance Limited on the Toronto-Dominion Bank in favour of Reid and Associates trust account dated February 19, 1965, in the amount of \$127,000.	3360.	Three documents obtained from Victoria and Grey Trust Company —(1) Photostatic copy of letter from Reid, Menzies, Creighton and Getliffe dated March 1, 1965 to Mr. Wilfrid Gregory, British Mortgage & Trust Company, Stratford. (2) Photostatic copy of direction to British Mortgage & Trust Company dated 18 February, 1965 from London Lighthouse Investments Limited authorizing payment of \$480,000 being borrowed by London Lighthouse, to Reid and Associates in trust. (3) Photostatic copy of promissory note of London Lighthouse Investments Limited to British Mortgage & Trust Company in amount of \$480,000 dated 18 February, 1965.
3353.	Photostatic copy of document entitled "Statement of Adjustments as of 18th February, 1965, re: Sale of Part Lot 11, Concession 2, S.D.S. Township of Trafalgar, by Philip F. Boylen to London Lighthouse Investments Limited".		
1437.1	Photostatic copy of cheque from files of D. W. Reid, drawn by Reid and Associates on the Toronto-Dominion Bank in favour of Ruwald & Poolman dated February 19, 1965 in amount of \$448,858.03.		
3355.	Photostatic copy of trust ledger sheet of Ruwald & Poolman, Solicitors, for client A. T. Holland et al		

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3361.	Letter from W. A. Pike, British Mortgage & Trust Company dated June 23, 1965, to Messrs. Reid and Associates requesting Mr. Reid to register a mortgage to British Mortgage & Trust Company from London Lighthouse Investments Limited in amount of \$480,000 on property on North Service Road, Oakville.		beth R. Crisp, c/o M. Kapp re: Elizabeth R. Crisp, in trust, purchase of common shares of Pro Musica Limited.
3362.	Signed carbon copy of mortgage indenture from files of D. W. Reid, dated February 22, 1965 between London Lighthouse Investments Limited, mortgagor and British Mortgage & Trust Company, mortgagee, securing amount of \$480,000 registered as Instrument No. 186138 in Registry Office, Halton Co.	1029.4	Carbon copy of reporting letter from files of Solomon & Singer dated 6 December, 1962 from Solomon, Singer & Rosen to Mr. Manfred Kapp re: purchase of shares of Pro Musica Limited.
3363.	Signed duplicate original of report and valuation obtained from the Higgins Company Limited furnished by E. T. Brownridge and Co., November 24, 1965 to the Higgins Company Limited, Toronto re: 505 North Service Road East, Oakville, Ontario, Atlantic Acceptance Corporation Limited.	3370.	Schedule prepared by Mr. Scott entitled "Pro Musica Limited, Directors and Officers, Selected Dates".
3364.	Notice to creditors issued by the Higgins Company Limited on 9 November, 1965 list of creditors in Estate of London Lighthouse Investments Limited as at November 2, 1965 in the matter of the Bankruptcy of London Lighthouse Investments Limited.	3371.	Schedule prepared by Mr. Scott entitled "Pearlsound Distributors Limited, Shareholders".
3365.	Schedule prepared by Mr. Scott entitled "Pro Musica Limited, Shareholders".	887.1	Carbon copy of two-page unaudited statement from files of Solomon & Singer of Pearlsound Distributors Limited, being balance sheet as at March 31, 1965, and statement of operation for 9 months ending March 31, 1965.
1029.1	Agreement from files of Solomon & Singer dated 12 September, 1962 between Pearlsound Distributors Limited, Pro Musica Limited, Commodore Sales Acceptance Limited, Horst P. Haddrath, Roswitha Haddrath and Elizabeth Crisp.	887.2	Direction from files of Solomon & Singer to Eastern and Chartered Trust Company, the Transfer Agent and Registrar for the common shares without par value in the capital stock of Commodore Business Machines (Canada) Limited, dated 15 April, 1965, issued on behalf of Commodore Business Machines (Canada) Limited by Mr. Kapp, Vice-President authorizing the issuance of 7,500 common shares of Commodore Business Machines to Evermac Office Equipment Company Limited.
1029.2	Carbon copy of reporting letter from files of Solomon & Singer dated 6 December, 1962, from Solomon, Singer & Rosen to Commodore Sales Acceptance Limited, attention A. G. Woolfrey re: Pro Musica Limited, Mr. & Mrs. Haddrath; outstanding loans to Commodore Sales Acceptance Limited.	3374.	Schedule prepared by Mr. Scott entitled "Pearlsound Distributors Limited, Directors and Officers, Selected Dates".
1029.3	Carbon copy of reporting letter from files of Solomon & Singer dated 6 December, 1962, from Solomon, Singer & Rosen to Eliza-	3375.	Schedule prepared by Mr. Scott entitled "Pro Musica Limited, Summary of Loans from Commodore Sales Acceptance Limited and Security Therefor at September 30, 1961 to 1964, and June 30, 1965".
		3376.	Certified copy from the Department of the Provincial Secretary for Ontario of first floating charge debenture in amount of \$450,000 taken by Commodore Sales Acceptance Limited from Pro Musica Limited and necessary affidavit required under the Corporation Securities Registration Act of the Province of Ontario.



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3377.	Schedule prepared by Mr. Scott entitled "Pro Musica Limited, Increase in Loans and Losses on Operations, September 30, 1961 to June 30, 1965."	3387.	Photostatic copy of inventory list of goods in Bond at 30 September, 1963 of Pro Musica Limited received from the Clarkson Company Limited.
3378.	Schedule prepared by Mr. Scott entitled "Pearlsound Distributors Limited, Summary of Loans from Commodore Sales Acceptance Limited and Security Therefor at June 30, 1962 to 1964, and March 31, 1965."	3388.	Schedule prepared by Mr. Scott entitled "Pro Musica Limited and Pearlsound Distributors Limited, Unit Cost and Selling Price Data".
3379.	Copy of unaudited financial statement from files of Walton, Wagman & Co., of Pro Musica Limited for year ending 30 September, 1961.	3389.	Schedule prepared by Mr. Scott entitled "Pro Musica Limited, Estimated Minimum Sales Volume—Five Products—Fiscal, 1964".
3380.	Pencilled work sheet being unaudited financial statement, from files of Walton, Wagman & Co., of Pro Musica Limited for year ending 30 September, 1962.	3390.	Schedule prepared by Mr. Scott entitled "Pearlsound Distributors Limited, Condensed Balance Sheets" for the fiscal years ending June 30, 1962 to 1964 and nine months ending March 31, 1965.
3381.	Copy of financial statement of Pro Musica Limited received from the Clarkson Company Limited for the nine months ended June 30, 1965 together with a trial balance of the accounts of Pro Musica Limited at that date.	3391.	Photostatic copy of invoice no. B 2993 of Pro Musica Limited to Pearlsound Distributors Limited dated September 30, 1963 for management fees for period ending September 30, 1963 in amount of \$44,275.74 received from Pearlsound Distributors Limited.
3382.	Schedule prepared by Mr. Scott entitled "Pro Musica Limited, Condensed Balance Sheet as at June 30, 1965".	3392.	Schedule prepared by Mr. Scott entitled "Pearlsound Distributors Limited, Condensed Statements of Profit and Loss" for fiscal years ending June 30, 1962 to 1964 and nine months ending March 31, 1965.
3383.	Schedule prepared by Mr. Scott entitled "Pro Musica Limited, Condensed Statement of Profit and Loss".	3393.	Registered letter from Commodore Sales Acceptance Limited, A. G. Woolfrey to Mr. H. H. Vogt, Pro Musica Limited, dated 10 August, 1962 giving notice of default of floating charge debenture dated 29 January, 1959 and appointing Mr. Vogt as receiver.
3384.	Schedule entitled "Pro Musica Limited: Inventory at September 30, 1964" received from collection company agent of the Receiver-Manager of Commodore Sales Acceptance Limited.	3394.	Photostatic copy of the financial statement for Pearlsound Distributors Limited for the year ended June 30, 1965, audited by Rose and Harrison.
3385.	Assignment of accounts receivable, Pro Musica Limited to Commodore Sales Acceptance Limited dated 9 December 1964 with invoices and schedules attached, received from the Clarkson Company Limited.	1000.1	Agreement from files of Solomon & Singer dated 24 November, 1964, between Hugo Oppenheim und Sohn, Berlin and Cimcony Limited, Nassau by which Hugo Oppenheim agree to sell to Cimcony Limited 38,500 common shares of Atlantic Acceptance Corporation Limited at \$18.10 per share.
3386.	Photostatic copies of five invoices of Pearlsound Distributors Limited dated January 7, 1965; January 8, 1965; two dated January 14, 1965; and January 15, 1965 received from the Clarkson Company Limited.		



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1000.2	Agreement from files of Solomon & Singer dated 24 November, 1964, between Hugo Oppenheim und Sohn and Cimcony Limited, by which Hugo Oppenheim grants to Cimcony Limited an option to buy 81,500 common shares of Atlantic Acceptance Corporation Limited at \$18.10 per share and Cimcony transfers back to Hugo Oppenheim the 38,500 shares purchased by agreement (Exhibit 1000.1) to be held as security for the covenants of Cimcony.		preference shares at par and 100,000 shares of Commodore Business Machines at \$6.50 per share. Attached is certified translation made by Department of Provincial Secretary and Citizenship, Province of Ontario.
3397.	Certified translation, marked B-2287 RC made by the Department of the Provincial Secretary and Citizenship of two paragraphs of an agreement between Hugo Oppenheim und Sohn and Cimcony Limited (Ex. No. 1000.2).	999.1	Carbon copy of letter from files of Solomon & Singer dated December 24, 1964 to Associated Canadian Holdings Limited from Hugo Oppenheimbank (Canada) Limited confirming delivery of a cheque to Associated Canadian Holdings for \$115,000 for all the issued and outstanding capital stock of Trans Commercial Acceptance Limited.
996.1	Agreement from files of Solomon & Singer dated 1 December, 1964, between Five Wheels Limited and Hugo Oppenheim und Sohn by which Five Wheels Limited sells to Hugo Oppenheim 100,000 common shares of Commodore Business Machines for \$500,000 and directs Hugo Oppenheim to pay \$225,000 to Five Wheels bank account and \$275,000 to Trans Commercial Acceptance Limited.	3403.	Cancelled cheque of Hugo Oppenheimbank (Canada) Limited drawn on the Bank of Nova Scotia, dated 24 December, 1964, in the amount of \$115,000 payable to Associated Canadian Holdings Limited.
996.2	Carbon copy of agreement from files of Solomon & Singer dated 1 December, 1964, between Five Wheels Limited, Trans Commercial Acceptance Limited and Hugo Oppenheim und Sohn by which Five Wheels agrees to lend \$275,000 to Trans Commercial Acceptance and Hugo Oppenheim agrees to deposit with Crown Trust Company as escrow agent, 55,000 shares of Commodore Business Machines until repayment of loan.	3404.	Bundle of bank statements of Bank of Nova Scotia, account no. 3207, the Hugo Oppenheimbank (Canada) Limited account covering the period December 1964 to July 1965.
3400.	Deposit slip of Trans Commercial Acceptance account no. 5396-19, at Bank of Nova Scotia, dated December 7, 1964, showing deposit of cheque in amount of \$275,000 from Hugo Oppenheim und Sohn.	3405.	Photostatic copy of cheque dated 15 December, 1964 drawn on Bank of Nova Scotia in amount of \$250,000 from Hugo Oppenheim und Sohn payable to Hugo Oppenheimbank Limited.
998.1	Carbon copy of agreement from files of Solomon & Singer dated 12 December, 1964, in German between Trans Commercial Acceptance Limited and Hugo Oppenheim und Sohn by which Hugo Oppenheim sells to Trans Commercial Acceptance \$1,000,000 of subordinated notes of Commodore Business Machines at par \$1,000,000 of	3406.	Books of account of Hugo Oppenheimbank (Canada) Limited, one Volume.
		3407.	Cheque dated December 23, 1964 in amount of \$100,300 payable to Trans Commercial Acceptance Limited from Hugo Oppenheimbank (Canada) Limited.
		3408.	Cheque dated December 30, 1964 in amount of \$34,000 payable to Trans Commercial Acceptance Limited from Hugo Oppenheimbank (Canada) Limited.
		3409.	Cheque dated December 24, 1964 in amount of \$15,000 payable to Hugo Oppenheim und Sohn from Trans Commercial Acceptance Limited.
		3410.	Cheque dated December 30, 1964 in amount of \$150,000 payable to Hugo Oppenheim und Sohn from Trans Commercial Acceptance Limited.

<i>Exhibit No.</i>	<i>Description</i>
3411.	Transcripts of examination of George H. Weinrott in Bankruptcy of Cimcony of Canada Limited conducted by the Clarkson Company Limited dated January 10, 1966 and August 4, 1966 with exhibits to the examination attached thereto.
3412.	Cheque dated March 2, 1965, drawn on Mercantile Bank of Canada in amount of \$95,000 payable to Cimcony Limited from Jack Tramiel.
3413.	Deposit slip for the Bank of Nova Scotia account of Cimcony Limited, Nassau dated March 3, 1965 showing a deposit of \$87,079.70 U.S. with notation "Re: T.T. from Toronto, \$94,998.92 Cdn., Account of J. Tramiel".
3414.	Arthur Andersen & Company report for Hugo Oppenheim und Sohn Nachf., Berlin first 40 pages translated into English, for year ended 31 December, 1965.
3415.	Schedule prepared by Mr. Lord entitled "Hugo Oppenheim & Sohn Nachf., Berliner Privatbank A.G., Disposition of 120,000 Shares of Atlantic Acceptance Purchased November 24, 1964".
3416.	Photostatic copy of transfer record of Eastern & Chartered Trust Company relating to common shares of Atlantic Acceptance Limited to Account of Hugo Oppenheim und Sohn.
3417.	Photostatic copy of brokers' receipt from offices of Barrett, Goodfellow dated March 4, 1965 from Barrett, Goodfellow & Co. to Associated Canadian Holdings Limited for 4,000 shares of Atlantic Acceptance Corporation Limited.
3418.	Document from offices of Barrett, Goodfellow dated March 4, 1965, from Associated Canadian Holdings Limited, signed by Mr. J. Tramiel, addressed to Barrett, Goodfellow & Co. authorizing them to receive 4,000 shares of Atlantic Acceptance Corporation Limited from Associated Canadian Holdings against payment by Barrett, Goodfellow of \$100,000 to be debited to account of Associated Canadian Holdings.
3419.	Letter dated April 14, 1965 from Associated Canadian Holdings Limited signed by H. Wagman to

<i>Exhibit No.</i>	<i>Description</i>
	Hugo Oppenheim und Sohn enclosing cheque in amount of \$420 relating to Atlantic Acceptance shares dividends on 2100 common shares owned by Hugo Oppenheim.
3420.	Photostatic copy of executed agreement from files of Traders Finance, made between Traders Realty Limited, Commodore Business Machines (Canada) Limited and Mr. Tramiel and Mr. Kapp, dated 10 June, 1965 which provides that Traders Realty will lend to Commodore Business Machines \$3,000,000 to purchase Willson Stationers & Envelopes Limited on security of note of Commodore Business Machines and pledge of 75,000 common shares of Atlantic Acceptance Corporation by Messrs. Kapp and Tramiel.
997.1	Photostatic copy, from files of Solomon & Singer of executed agreement dated 11 June, 1965, between Hugo Oppenheimbank (Canada) Limited and J. Tramiel and M. Kapp by which Hugo Oppenheimbank agrees to sell 75,000 common shares of Atlantic Acceptance to Messrs. Kapp and Tramiel at \$20 per share on security of a promissory note due 14 March 1966 with Messrs. Kapp and Tramiel having the right to deliver the shares back to Hugo Oppenheimbank before the due date and Hugo Oppenheimbank to re-acquire them at \$20 per share.
997.2	Memorandum, from files of Solomon & Singer, from Hugo Oppenheim und Sohn, Berlin to Hugo Oppenheimbank (Canada) Limited dated 11 June, 1965 consenting to sale of 75,000 common shares of Atlantic Acceptance to Messrs. Kapp and Tramiel.
3423.	Letter from files of trustee for Hugo Oppenheimbank addressed to Hugo Oppenheimbank. (Canada) Limited, dated October 15, 1965, signed by Jack Tramiel and Manfred Kapp giving notice of intention to exercise option to sell to Hugo Oppenheimbank 75,000 common shares of Atlantic Acceptance at \$20 per share.
3424.	Letter from files of trustee for Hugo Oppenheimbank dated October 18, 1965, addressed to Hugo Oppenheimbank (Canada) Limited, c/o Mr. Jack Tramiel enclosing

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
	share certificate with annexed stock transfer power duly executed for 75,000 common shares of Atlantic Acceptance and requesting that the purchase price of \$150,000 be applied against the indebtedness of Messrs. Kapp and Tramiel to Hugo Oppenheimbank.	3430.	Carbon copy of letter, from records of Trans Commercial Acceptance Limited, dated April 5, 1965 from Trans Commercial Acceptance to Hugo Oppenheim und Sohn confirming purchase of 500 shares of Analogue Controls Inc. at \$6¾ per share for Account of Hugo Oppenheim.
3425.	Letter from files of trustee for Hugo Oppenheimbank, dated June 25, 1965 addressed to Messrs. Cimcony Limited, Nassau, Bahamas, from Hugo Oppenheim und Sohn, Berlin in which Hugo Oppenheim gives notice that if Cimcony Limited fails to pay within 48 hours for shares of Atlantic Acceptance which they contracted to buy by agreement dated 24 November 1964, Hugo Oppenheim will exercise the right to sell the shares.	3431.	Carbon copy of letter, from records of Trans Commercial Acceptance Limited, dated April 28, 1965 from Trans Commercial Acceptance to Hugo Oppenheim und Sohn confirming purchase of 3000 shares of Analogue Controls Inc. at \$6¾ per share for account of Hugo Oppenheim.
3426.	Photostatic copy of agreement in German with certified translation in English, received from the trustee, dated July 1, 1965 between Mr. J. Tramiel and Hugo Oppenheim und Sohn Berlin which provides that Mr. Tramiel will surrender his Interest in Hugo Oppenheim und Sohn in return for the Commodore Business Machines debentures and shares and Atlantic Acceptance Corporation shares in which Hugo Oppenheim had invested.	3432.	Carbon copy of letter, from records of Trans Commercial Acceptance Limited, dated May 13, 1965 from Trans Commercial Acceptance to Hugo Oppenheim und Sohn confirming purchase of 1000 shares of Analogue Controls Inc. at \$6¾ for Account of Hugo Oppenheim.
3427.	Carbon Copy of supplementary agreement in German with certified translation in English received from the trustee, between Mr. J. Tramiel and Hugo Oppenheim und Sohn dated at Berlin 29 April, 1966 and at Toronto 10 June, 1966.	3433.	Schedule prepared by Mr. Lord entitled "Hugo Oppenheim und Sohn Nachf., Berliner Privatbank A.G., Balance Sheet, December 31, 1963, 1964 and 1965" with eight supporting schedules attached.
3428.	Carbon copy of letter, from records of Trans Commercial Acceptance Limited, dated March 30, 1965 from Trans Commercial Acceptance to Hugo Oppenheim und Sohn confirming purchase of 4000 shares of Analogue Controls Inc. at \$6¾ per share for account of Hugo Oppenheim.	3434.	Composite trust indenture of Atlantic Acceptance Corporation Limited providing for issuance of and securing senior notes.
3429.	Carbon copy of letter from records of Trans Commercial Acceptance Limited, dated April 2, 1965 from Trans Commercial Acceptance to Hugo Oppenheim und Sohn confirming purchase of 1000 shares of Analogue Controls Inc. at \$6¾ per share for account of Hugo Oppenheim.	3435.	Purchase agreement made 17 December, 1959, between Atlantic Acceptance Corporation Limited and First National City Bank of New York as agent and Morgan Guaranty Trust Company of New York as agent by which Atlantic Acceptance sold \$2½ million U.S. in promissory notes under series "A" subordinated debt, 50,000 warrants for one preference share and 10,000 preference shares.
		3436.	Purchase agreement dated 1 December, 1960 by which Atlantic Acceptance sold \$850,000 U.S. notes bonused with 8,500 common shares together with 17,000 warrants for purchase of common shares.
		3437.	Schedule prepared by A. R. James entitled "Atlantic Acceptance Corporation, Schedule Summarizing Long-Term Notes Issued under Trust Indentures".



<i>Exhibit No.</i>	<i>Description</i>
3438.	Purchase agreement dated 27 September, 1961 by which Atlantic Acceptance sold \$3,700,000 U.S. and \$25,000 CDN. subordinated notes, series C with 26,609 common shares together with 53,215 warrants for purchase of common shares.
3439.	Purchase agreement relating to the issue of series J notes, dated 28 May, 1962, between Guardian Life Insurance Company of America and Atlantic Acceptance Corporation Limited.
3440.	Report dated January 1, 1962 from Osler, Hoskin & Harcourt, Barristers & Solicitors to Montreal Trust Company, required to be filed annually by Atlantic Acceptance under the terms of the trust indentures.
3441.	Report dated January 7, 1963 from Osler, Hoskin & Harcourt, Barristers & Solicitors to Montreal Trust Company re: trust indenture, Atlantic Acceptance Corporation.
3442.	Report dated January 14, 1964, Osler, Hoskin & Harcourt to Montreal Trust Company re: trust indenture, Atlantic Acceptance Corporation.
3443.	Certified copy of letter dated February 8, 1961 from the Montreal Trust Company to the Toronto-Dominion Bank confirming appointment of the Toronto-Dominion Bank, Oakville, as depository for the finance receivables pledged in favour of Montreal Trust Company as trustee by Atlantic Acceptance Corporation.
3444.	Photostatic copy of promissory note payable to Commodore Factors Limited by Motion Picture Security Corporation, dated January 18, 1965 in amount of \$50,000 U.S. endorsed by Commodore Factors to be paid to order of Atlantic Acceptance, then endorsed by Atlantic Acceptance to be paid to Montreal Trust Company and lodged with Toronto-Dominion Bank as depository.
3445.	Copy of collateral deposit form no. 974 of Atlantic Acceptance Corporation Limited dated March 31, 1965 showing as received from Commodore Factors Limited promissory notes in amount of \$2 million to be lodged in account of

<i>Exhibit No.</i>	<i>Description</i>
	Montreal Trust Company as trustee.
3446.	Inter-company loan agreement between Atlantic Acceptance Corporation Limited and Commodore Sales Acceptance Limited, dated 7 February, 1961 by which Commodore Sales Acceptance undertakes that it and its subsidiary, Commodore Factors, will make over to Atlantic Acceptance as security any instrument of debt it receives as a result of loaning money it had obtained from Atlantic Acceptance.
3447.	Photostatic copy of inter-company loan agreement between Atlantic Acceptance Corporation Limited and Adelaide Acceptance Limited dated 1 June, 1962.
3448.	Master collateral deposit form of Atlantic Acceptance Corporation Limited obtained from Toronto-Dominion Bank Oakville, summarizing collateral deposit sheets nos. 969 to 974 inclusive dated March 31, 1965.
3449.	Photostatic copy of ledger card of Toronto-Dominion Bank, sheet no. 1, designated "Commodore Sales Acceptance", March 12, 1965 to April 28, 1965 showing withdrawals from collateral and collaterals lodged with the bank under the terms of the trust indenture of Atlantic Acceptance.
3450.	Specimen form of Toronto-Dominion Bank, Oakville, addressed to Montreal Trust Company being a Certificate referring to the terms of the trust indenture with a blank space for completion by the bank to show the aggregate face amount of finance receivables held by the bank as depository for the trustee.
3451.	Document on letterhead of Montreal Trust Company designated "Release" dated 18 January, 1965, being a re-assignment by Montreal Trust of notes, described on a Schedule attached, back to Atlantic Acceptance Corporation Limited.
3452.	Photostatic copy of master collateral withdrawals form no. 353 of Atlantic Acceptance Corporation Limited dated December 1964, indicating face value of notes which company wished to withdraw from the pledge and giving sheet nos. for collateral withdrawal forms on which each note was particularly described.



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3453.	Photostatic copy of promissory Note for \$15,000 obtained from Toronto-Dominion Bank, Oakville payable to Commodore Sales Acceptance Limited, dated January 2, 1964, from Aurora Leasing Corporation Limited.		indenture, Atlantic Acceptance Corporation Limited.
3454.	Schedule, prepared by Mr. James entitled "Atlantic Acceptance Corporation Trust Indenture, Comparison of Commodore Sales Acceptance Accounts Receivables against amounts lodged in terms of Section 6.12(1) of December 31, 1964".	3462.	Schedule prepared by Mr. James entitled "Section 6.12(1). Not more than 20% of receivables may be in amounts of more than \$15,000."—Trust indenture, Atlantic Acceptance Corporation Limited.
3455.	Schedule prepared by Mr. James, entitled "Non-Admissible Receivables—Obligors exceeding \$500,000".	3463.	Copies of working papers of internal accountants of Atlantic Acceptance Corporation Limited for the month of August, 1964.
3456.	Eight-page mimeographed document, assignor being blank and assignee being Commodore Sales Acceptance Limited, relating to the factoring of accounts receivable.	3464.	Copies of working papers of internal accountants of Atlantic Acceptance Corporation Limited for month of September, 1964.
3457.	Blank note in printed form, payable to the order of Masco Construction Company Limited, maker being Daylite of Grand Bahama Company Limited with endorsement to the order of Commodore Sales Acceptance Limited, the two endorsers being Lucayan Beach Hotel Company Limited and Masco Construction Company Limited.	3465.	Copies of working papers of internal accountants of Atlantic Acceptance Corporation Limited for month of December, 1964.
3458.	Schedule prepared by Mr. James being a summary schedule of position of limitations at August 31, September 30 and December 31, 1964 under Section 6.12(1) of trust indenture of Atlantic Acceptance Corporation Limited.	3466.	Internal memoranda for months of August, September and December 1964 sent each month from the executive office of Atlantic Acceptance Corporation Limited in Toronto to the head office in Oakville advising the amount of notes outstanding.
3459.	List prepared by Mr. James entitled "Receivables of Commodore Sales Acceptance not Lodged in Terms of Section 6.12(1), December 31, 1964"—Trust indenture, Atlantic Acceptance Corporation Limited.	3467.	Schedule prepared by Mr. James entitled "Accrued Interest" at August 31, 1964, September 30, 1964 and December 31, 1964—Trust indenture, Atlantic Acceptance Corporation Limited.
3460.	Schedule prepared by Mr. James entitled "Finance Receivables Pledged in Terms of Section 6.12 (1)" at August 31, September 30 and December 31, 1964—Trust indenture, Atlantic Acceptance Corporation Limited.	3468.	Schedule prepared by Mr. James entitled "Calculation of Senior Debt Permitted in Terms of Section 6.12 (2)"—Trust indenture, Atlantic Acceptance Corporation Limited.
3461.	Schedule prepared by Mr. James entitled "Section 6.12(1), Senior Debt (At Current Rate of Exchange)" at August 31, September 30 and December 31, 1964—Trust	3469.	Working papers of internal accountants of Atlantic Acceptance Corporation Limited headed, "Atlantic Acceptance Calculation of Permitted Senior Debt, December 31, 1964".
		3470.	Schedule prepared by Mr. James entitled "Calculation of Subordinated Debt Permitted in Terms of Section 6.12 (2)"—Trust indenture, Atlantic Acceptance Corporation Limited.
		3471.	Undated report, from a loan file of Commodore Sales Acceptance Limited relating to D.H.I. Limited, headed "D.H.I. Limited and Commodore Sales Acceptance Limited" signed "H. Cooper per H.W." re: insolvency of D.H.I.

<i>Exhibit No.</i>	<i>Description</i>
3472.	Report, from a loan file of Commodore Sales Acceptance Limited relating to D.H.I. Limited, headed "D.H.I. Limited, May 14, 1964" signed by F. K. Cockburn re: aged list of accounts receivable of D.H.I.
3473.	Photostatic copy, from records of Commodore Sales Acceptance Limited, of letter from Commodore Sales Acceptance Limited to Aurora Leasing Corporation Limited, dated 16 December, 1964 proposing that Aurora make over certain accounts to Commodore Sales without knowledge of debtors. Letter acknowledged and agreed to by signature of W. E. Pahn for Aurora Leasing on bottom of letter.
3474.	Photostatic copy of floating charge debenture of D.H.I. Limited to Albert George Woolfrey dated 28 December, 1964 in amount of \$650,000.
3475.	Direction by Mr. Woolfrey to D.H.I. Limited authorizing D.H.I. to make some payments to Commodore Sales Acceptance which would be treated by Mr. Woolfrey as if they had been made to him under the terms of the debenture (Exhibit 3474).
3476.	Schedule prepared by Mr. Orr entitled "Atlantic Group-Commercial Lending and Analysis of Auditors and Accountants, as at 31 December, 1964—C.S.A. Allowances for Bad Debt Losses".
3477.	Report prepared by Mr. Orr, entitled "Atlantic Acceptance Corporation Limited and Subsidiary Companies: Analysis of Accounts Receivable and Bad Debt Allowance Requirements as at December 31, 1964".
3478.	Report prepared by Mr. Orr entitled "Atlantic Acceptance Corporation Limited and Subsidiary Companies: Analysis of Accounts Receivable and Bad Debt Allowance Requirements as at December 31, 1963".
3479.	Binder entitled "Atlantic Group, Special Accounts, Volume 1" which contains the financial information relating to the calculation of the allowance for losses in respect of seven debtor companies: Aurora Leasing, Dalite Corporation, D.H.I., Cimcony of Canada,

<i>Exhibit No.</i>	<i>Description</i>
	Pro Musica, Baronet Associates, and General Spray Service.
3480.	Binder entitled "Atlantic Group, Special Accounts, Volume 2" which contains the financial information relating to the calculation of the allowance for losses in respect of eight debtor companies: Nevil Enterprises Group, Symphony Paint Company, Frederick's Department Store, Valley Farm, Treasure Island and D. Reid re: White Oaks Shopping Centre, Associated Canadian Holdings, Evermac Office Equipment and Freeport International.
3481.	Working paper file no. 1 of Atlantic Acceptance Corporation Limited at December 31, 1964, from offices of Deloitte, Plender, Haskins and Sells, Chartered Accountants.
3482.	Working paper file no. 2 of Atlantic Acceptance Corporation Limited & Atlantic Finance Corporation at December 31, 1964, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3483.	Working paper file no. 3 of Atlantic Acceptance Corporation Limited & subsidiaries (contains internal control questionnaire, procedural notes, confirmation list, confirmation samples, at December 31, 1964, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3484.	Tax file, December 31, 1964, of Atlantic Acceptance Corporation Limited from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3485.	Tax file, December 31, 1964, of Atlantic Finance Corporation Limited from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3486.	Working paper file, December 31, 1964, of Atlantic Finance Corporation Limited from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3487.	Working paper files, December 31, 1964, of Atlantic Acceptance Corporation Limited Subsidiaries: Atlantic Acceptance (Toronto) Limited, Pay As You Study Plan Limited, Concourse Agencies Limited, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3488.	Share warrant file covering: 53,215 common, 17,000 common, 99,000 common, 50,000 3rd. pref. and 2nd pref. share conversion prices of Atlantic Acceptance Corporation Limited, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.	3498.	Audit working paper file of Atlantic Finance Corporation Limited, Edmundston, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3489.	Prospectus file dated April 26, 1965, of Atlantic Acceptance Corporation Limited from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.	3499.	Audit working paper file of Atlantic Finance Corporation Limited, Geraldton, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3490.	Consolidation working paper file, dated December 31, 1964, of Atlantic Acceptance Corporation Limited from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.	3500.	Audit working paper file of Atlantic Finance Corporation Limited, Hamilton, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3491.	Permanent file of Atlantic Acceptance Corporation Limited and subsidiaries from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.	3501.	Audit working paper file of Atlantic Finance Corporation Limited, North Bay, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3492.	Audit working paper file of Atlantic Acceptance Corporation Limited, Toronto Industrial Division, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.	3502.	Audit working paper file of Atlantic Finance Corporation Limited, Ottawa No. 2, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3493.	Audit working paper file of Atlantic Finance Corporation Limited, Bracebridge, Ontario, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.	3503.	Audit working paper file of Atlantic Finance Corporation Limited, Regina, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3494.	Audit working paper file of Atlantic Finance Corporation Limited, Carbonear, Newfoundland, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.	3504.	Audit working paper file of Atlantic Finance Corporation Limited, Renfrew, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3495.	Audit working paper file of Atlantic Finance Corporation Limited, Campbell River, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.	3505.	Audit working paper file of Atlantic Finance Corporation Limited, Sackville, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3496.	Audit working paper file of Atlantic Finance Corporation Limited, Cornerbrook, Newfoundland, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.	3506.	Audit working paper file of Atlantic Finance Corporation Limited, Stettler, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3497.	Audit working paper file of Atlantic Finance Corporation Limited, Dunnville, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.	3507.	Audit working paper file of Atlantic Finance Corporation Limited, Sudbury, September 30, 1964, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
		3508.	Audit working paper file of Atlantic Finance Corporation Limited, Toronto no. 3, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.



<i>Exhibit No.</i>	<i>Description</i>
3509.	File labelled "Montreal Trust Company Special—Atlantic Confirmation Letter on Capital and Industrial Loans, June 17, 1965" from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3510.	File labelled "Montreal Trust Company Special—Atlantic Finance Corporation Limited Bank Reconciliations and Bank Confirmations, June 17, 1965" from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3511.	File labelled "Montreal Trust Company Special—Atlantic Acceptance Corporation Limited Bank Reconciliations and Confirmations, June 17, 1965" from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3512.	File labelled "Montreal Trust Company Special—Atlantic Acceptance Corporation Limited, June 17, 1965" from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3513.	Audit working paper file of Atlantic Acceptance Corporation Limited and Atlantic Finance Corporation Limited, Brockville, September 30, 1964, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3514.	Audit working paper file of Atlantic Acceptance Corporation Limited and Atlantic Finance Corporation Limited, Calgary, 1964, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3515.	Audit working paper file of Atlantic Acceptance Corporation Limited and Atlantic Finance Corporation Limited, Cornwall, December 24, 1964, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3516.	Audit working paper file of Atlantic Acceptance Corporation Limited and Atlantic Finance Corporation Limited, Edmonton, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3517.	Audit working paper file of Atlantic Acceptance Corporation Limited and Atlantic Finance Corporation Limited, Fort William, November 19, 1964, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.

<i>Exhibit No.</i>	<i>Description</i>
3518.	Audit working paper file of Atlantic Finance Corporation Limited, Kitchener, 1964, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3519.	Audit working paper file of Atlantic Finance Corporation Limited, Moncton, New Brunswick, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3520.	Audit working paper file of Atlantic Acceptance Corporation Limited and Atlantic Finance Corporation Limited, Winnipeg, November 12, 1964, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3521.	Audit working paper file of Atlantic Acceptance Corporation Limited and Atlantic Finance Corporation Limited Toronto no. 1, from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3522.	Working papers, year ended December 31, 1959, Atlantic Acceptance Corporation Limited and subsidiary companies, from offices of Wright, Erickson, Lee, & MacDonald, Chartered Accountants.
3523.	Working papers file no. 1 of 2, year ended December 31, 1959 of Atlantic Acceptance Corporation Limited, from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3524.	Current audit file, 1959, Atlantic Acceptance Corporation Limited, from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3525.	Working papers file no. 2 of 2, year ended December 31, 1959, Atlantic Acceptance Corporation, from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3526.	Working papers, year ended December 31, 1959, Atlantic Finance Corporation Limited, from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3527.	Working papers, year ended December 31, 1959, Talbot Finance Company Limited, from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3528.	Working papers, year ended December 31, 1959, Great Lakes Insurance Agencies Limited, from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.	3538.	Working papers, year ended December 31, 1960, Atlantic Acceptance (Toronto) Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3529.	Working papers, year ended December 31, 1959, Atlantic Acceptance Corporation Limited and subsidiary companies from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.	3539.	Working papers, year ended December 31, 1960, Great Lakes Insurance Agencies Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3530.	Working papers file no. 1 of 6, year ended December 31, 1960, Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.	3540.	Audit working paper file for year ended December 31, 1961, Atlantic Acceptance (St. Thomas) Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3531.	Working papers file no. 2 of 6, year ended December 31, 1960, Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.	3541.	Audit working paper file for year ended December 31, 1961, Atlantic Finance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3532.	Working papers file no. 3 of 6, year ended December 31, 1960, of Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald.	3542.	Audit working paper file for year ended December 31, 1961, Atlantic Acceptance (Toronto) Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3533.	Working papers file no. 4 of 6, year ended December 31, 1960, Pinewood Motors—Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.	3543.	Audit working paper file for year ended December 31, 1961, Great Lakes Insurance Agencies from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3534.	Working papers file no. 5 of 6, year ended December 31, 1960, Atlantic Acceptance Corporation—Industrial division, from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.	3544.	Audit working paper file for 1961, Atlantic Acceptance Corporation Limited, current audit, from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3535.	Working paper file no. 6 of 6, year ended December 31, 1960, Atlantic Acceptance Corporation Limited—Current audit, from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.	3545.	Audit working paper file for year ended December 31, 1961, Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3536.	Working papers, December 31, 1960, Atlantic Finance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.	3546.	Audit working paper file—Confirmation letter, no. 5 of 7—December 31, 1961, Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3537.	Working papers, December 31, 1960, Atlantic Acceptance Corporation Limited—(St. Thomas) from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.	3547.	Audit working paper file—Pinewood Motors Division, December 31, 1961, Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee and MacDonald, Chartered Accountants.

<i>Exhibit No.</i>	<i>Description</i>
3548.	Audit working paper file—Industrial division, December 31, 1961, Atlantic Acceptance Corporation of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3549.	Audit working paper file—Liabilities, capital, expense accounts, no. 2 of 7, December 31, 1961, Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3550.	Audit working paper file—Assets, no. 1 of 7, Atlantic Acceptance Corporation Limited, December 31, 1961, from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3551.	Audit working paper file—December 31, 1962, Atlantic Acceptance (Toronto) Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3552.	Audit working paper file—December 31, 1962, Atlantic Finance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3553.	Audit working paper file—no. 8 of 8, December 31, 1962, Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3554.	Audit working paper file—1962 confirmation file no. 8 of 8, December 31, 1962, Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3555.	Audit working paper file—Current audit—1962, December 31, 1962, Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3556.	Audit working paper file—no. 6 of 8, December 31, 1962, Pinewood Motors (1962) from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3557.	Audit working paper file—Account analysis, December 31, 1962, Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.

<i>Exhibit No.</i>	<i>Description</i>
3558.	Audit working paper file—Liabilities and capital, no. 3 of 8, December 31, 1962, Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3559.	Audit working paper file—Assets, no. 2 of 8, December 31, 1962, Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3560.	Audit working paper file—Prospectus 1962, no. 1 of 8, December 31, 1962, Atlantic Acceptance Corporation Limited, from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3561.	Audit working paper file—Assets, no. 1 of 5, December 31, 1963, Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3562.	Audit working paper file—Liabilities and capital, no. 2 of 5, December 31, 1963, Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3563.	Audit working paper file—Expense accounts, no. 3 of 5, December 31, 1963, Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3564.	Audit working paper file—Confirmation letters, no. 4 of 5, December 31, 1963, Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3565.	Audit working paper file—Current audit no. 5 of 5, December 31, 1963, Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3566.	Audit working paper file—Prospectus, December 31, 1963, Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3567.	Audit working paper file—December 31, 1963, Atlantic Acceptance (Toronto) Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3568.	Audit working paper file undated—Correspondence, Atlantic Finance Corporation Limited, from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.	3578.	Audit working paper file, Consolidated file, December, 1963, Atlantic Acceptance Corporation Limited and subsidiaries from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.
3569.	Audit working paper file undated—Correspondence, Atlantic Acceptance Corporation Limited, from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.	3579.	Working papers, Premier Finance Corporation Limited for year ended December 31, 1958 from offices of E. M. Sprackman, Siderson and Company, Chartered Accountants.
3570.	Audit working paper file undated—unmarked correspondence file from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.	3580.	Working papers, Premier Finance Corporation Limited for year ended December 31, 1959, from offices of E. M. Sprackman, Siderson and Company, Chartered Accountants.
3571.	Audit working paper file assets, liabilities & capital, December 31, 1963, Atlantic Finance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.	3581.	Working papers, Premier Finance Corporation Limited for year ended December 31, 1960 from offices of E. M. Sprackman, Siderson and Company, Chartered Accountants.
3572.	Audit working paper file—Expense analysis, December 31, 1963, Atlantic Finance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.	3582.	Working papers, Premier Finance Corporation Limited for year ended December 31, 1961 from offices of E. M. Sprackman, Siderson and Company, Chartered Accountants.
3573.	Audit working paper file—Confirmation, December 31, 1963, Atlantic Finance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.	3583.	Working papers, Premier Finance Corporation Limited for year ended December 31, 1962 from offices of E. M. Sprackman, Siderson and Company, Chartered Accountants.
3574.	Audit working paper file—Interim audit notes, current audit—1963, December 31, 1963, Atlantic Finance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.	3584.	Working papers, Premier Finance Corporation Limited for year ended December 31, 1963 from offices of E. M. Sprackman, Siderson and Company, Chartered Accountants.
3575.	Audit working paper file—Prospectus—1964, December 31, 1963, Atlantic Acceptance Corporation Limited from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.	3585.	Working papers, Premier Finance Corporation Limited for year ended December 31, 1964 from offices of E. M. Sprackman, Siderson and Company, Chartered Accountants.
3576.	Audit working paper file—Consolidated file, December 1961, Atlantic Acceptance Corporation Limited and subsidiaries from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.	3586.	Working papers, Standard Discount Corporation Limited for year ended June 30, 1961 from offices of Stone, Conway, Anger and Stone, Chartered Accountants.
3577.	Audit working paper file, Consolidated file, December, 1962, Atlantic Acceptance Corporation Limited and subsidiaries from offices of Wright, Erickson, Lee & MacDonald, Chartered Accountants.	3587.	Working papers, Standard Discount Corporation Limited for year ended December 31, 1961 from offices of Stone, Conway, Anger and Stone, Chartered Accountants.
		3588.	Working papers, Standard Discount Corporation Limited for year ended December 31, 1962 from offices of Stone, Conway, Anger and Stone, Chartered Accountants.



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3589.	Working papers, Standard Discount Corporation Limited for year ended December 31, 1963 from offices of Stone, Conway, Anger and Stone, Chartered Accountants.		by Mr. Walker re: loans made by Commodore Sales Acceptance Limited.
3590.	Working papers, Standard Discount Corporation Limited for year ended December 31, 1964 from offices of Stone, Conway, Anger and Stone, Chartered Accountants.	3599.	Schedule prepared by Mr. Walker entitled "A. J. and E. Goldberg Brothers Limited, Corporate Information".
3591.	True copy of ledger card of Royal Bank of Canada, Freeport, Grand Bahama relating to Account in name of "Morgan Trust" for period February 22, 1965 to October 4, 1965 with covering letter, received from Mr. Clennett, Assistant General Manager, Royal Bank of Canada.	3600.	Schedule prepared by Mr. Walker entitled "A. J. and E. Goldberg Brothers Limited, trading as 'Seven Crown Motel', Advances by Commodore Sales Acceptance Limited".
3592.	Folder entitled "C.S.A. Working Papers, 1964" containing accounts receivable, verifications and financial statements as at December 31, 1964 from offices of Wagman, Fruitman & Lando.	3601.	Certified copy of declaration of partnership of Albert George Woolfrey "In Trust" re: Seven Crown Motel, registered 10 April, 1963 under copartnership no. 43820 in Registry Office for Registry Division of Toronto.
3593.	Folder entitled "Working papers, 1964" containing accounts receivable, verifications and financial statements of Commodore Factors Limited for the year ended December 31, 1964 from offices of Wagman, Fruitman & Lando.	3602.	Certified copy of declaration of dissolution of sole proprietorship of Albert George Woolfrey, registered 21 February, 1964, under copartnership no. 47887 in Registry Office for Registry Division of Toronto.
3594.	Folder entitled "Dallas Holdings Limited, Current" containing working papers for the years ended December 31, 1962, 1963 and 1964, from offices of Wagman, Fruitman & Lando.	3603.	Certified copy of declaration of sole proprietorship of A. J. & E. Goldberg Brothers Limited, carrying on a sole partnership under the name Seven Crown Motel, registered 21 February, 1964, under copartnership no. 47888 in Registry Office for Registry Division of Toronto.
3595.	Folder entitled "Valley Farm & Enterprises Limited, working papers, 1964" containing working papers of Valley Farm and Enterprises for the year ended June 30, 1964, from offices of Wagman, Fruitman & Lando.	3604.	Schedule prepared by Mr. Walker entitled "A. J. & E. Goldberg Brothers Limited trading as 'Furniture Sales Registered', Advances by Commodore Sales Acceptance Limited".
3596.	Folder entitled "Dalite Corporation (Canada) Limited Working Sheets 1964, 31 December" containing working papers of Dalite Corporation (Canada) Limited, 31 December, 1964 from offices of Wagman, Fruitman & Lando.	3605.	Certified copies from the Department of the Provincial Secretary for the Province of Ontario, of debenture and correspondence relating thereto, made by A. J. & E. Goldberg Brothers Limited in favour of Commodore Sales Acceptance Limited in amount of \$250,000 as partial security against inventory loans.
3597.	Folder entitled "Pro Musica Limited, 1964" containing working papers of Pro Musica Limited for the year ended September 30, 1964.	3606.	Schedule prepared by Mr. Walker entitled "Hilltop Holdings Limited, Corporate Information".
3598.	Memorandum of notes with reference to evidence to be given orally	3607.	Schedule prepared by Mr. Walker entitled "Hilltop Holdings Limited, Advance from Commodore Sales Acceptance Limited".



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3608.	Certified copy of abstract of title re: Block Z, Plan 1305, Town of New Toronto, (being property known as 300 Dwight Ave.) commencing with Instrument No. 18160 registered 2 April, 1952 and concluding with Instrument No. 30372 registered 28 June, 1966 in Registry Office, County of York.	3621.	Schedule prepared by Mr. Walker entitled "Latina Tavern Limited, Corporate Information".
3609.	Certified copy of mortgage, Registered Instrument No. 27140 dated 15 March, 1962 between Eugene Last as mortgagor, Hilltop Holdings Limited as mortgagee, and Elsie Last as third party, in amount of \$100,000 registered in Registry Office, County of York.	3622.	Schedule prepared by Mr. Walker entitled "Latina Tavern Limited, Advance by Aurora Leasing Corporation Limited".
3610.	Schedule prepared by Mr. Walker entitled "Hebard Holdings Limited, Corporate Information".	3623.	Schedule prepared by Mr. Walker entitled "Ottawa Valley Amusements Limited, Corporate Information".
3611.	Schedule prepared by Mr. Walker entitled "Hebard Holdings Limited, Advance by Aurora Leasing Corporation Limited".	3624.	Schedule prepared by Mr. Walker entitled "Ottawa Valley Amusements Limited, Advance by Aurora Leasing Corporation Limited".
3612.	Schedule prepared by Mr. Walker entitled "Premiumwares Limited, Corporate Information".	3490.1	Handwritten memorandum entitled "Insert to Report to Shareholders" which was taken from a file of consolidated working papers dated December 31, 1964 of Atlantic Acceptance Corporation Limited from offices of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3613.	Schedule prepared by Mr. Walker entitled "Premiumwares Limited, Advances by Commodore Sales Acceptance Limited".	3626.	Photostatic copy of typewritten page headed "18. Standard Form Report" dated March 16, 1964, with attached copy headed "Extract from TPM re use of Percentages" which are taken from the Technical Procedure Manual of Deloitte, Plender, Haskins & Sells, Chartered Accountants.
3614.	Schedule prepared by Mr. Walker entitled "Hancock Telecontrol Corporation, Advance from Commodore Factors Limited".	3627.	Schedule prepared by Mr. Moreton entitled "Atlantic Acceptance Corporation and Subsidiary Companies—Schedule showing the Effect of Commodore Sales Acceptance Limited (with its Subsidiary Commodore Factors Limited) and Adelaide Acceptance Limited on the Earnings and Financial Position of the Atlantic Complex" with subsidiary schedules attached.
3615.	Schedule prepared by Mr. Walker entitled "Modern Hospital Equipment Design Limited, Corporate Information".	3628.	Chart prepared by Mr. Moreton illustrating graphically the calculations on Exhibit No. 3627.
3616.	Schedule prepared by Mr. Walker entitled "Modern Hospital Equipment Design Limited, Advances by Commodore Factors Limited".	3629.	Photostatic copy of letter dated January 14, 1964 from P. E. Prowse, Head Office, Atlantic Acceptance Corporation Limited to S. G. Baker, Standard Discount Corporation Limited with attached copy of invoice charging Standard Discount additional management fees in amount of \$50,000.
3617.	Schedule prepared by Mr. Walker entitled "Opekar Investments Limited, Corporate Information".	3630.	Photostatic copy of letter from files of Walton, Wagman & Co., dated November 28, 1958 to Mr. C. P.
3618.	Document prepared by Mr. Walker entitled "Opekar Investments Limited, Advance from Adelaide Acceptance Limited".		
3619.	Schedule prepared by Mr. Walker entitled "Louis Sheriff Limited, Corporate Information".		
3620.	Schedule prepared by Mr. Walker entitled "Louis Sheriff Limited, Advance from Adelaide Acceptance Limited".		

*Exhibit  
No.*

*Description*

- Morgan from W. L. Walton, Walton, Wagman & Company enclosing signed promissory note re: loan from Atlantic Acceptance Corporation Limited to Kipling Industrial Equipment Limited.
- 862.1 Three-page document from briefcase in office of H. Wagman, re: William L. Walton and Harry Wagman, being statement of assets and liabilities, schedule of investments and statement of investments, all as at August 31, 1962.
- 2006.1 Carbon copy of letter from files of Mr. Weinrott, from Valley Farm and Enterprises Limited signed by H. Wagman, to George H. Weinrott, dated May 1, 1963 re: subscription for \$100,000 in common shares of Cimcony of Canada Limited by Valley Farm.
3633. Bank ledger card for account no. 668964 in the name of H. Wagman, Esq., Bank of Nova Scotia, October, 1960, to which is attached cancelled cheque signed by H. Wagman in the amount of \$6,971.25 payable to C. P. Morgan.
- 739.2 Photostatic copy of unaudited statement of Sprayfoil Corporation, from files of Wagman, Fruitman & Lando, prepared by Walton, Wagman & Company dated 31 March, 1964 for the year ended 31 December, 1963.
3635. Copy of corporation income tax return for Commodore Portable Typewriter Company Limited for the fiscal period ending January 31, 1959, signed by Mr. Kapp as Director, to which are annexed several statements and documents.
3636. Photostatic copy of a document in the files of the Mercantile Bank entitled "Statement of Affairs" dated 4 August, 1964, signed by Mr. Tramiel.
- 916.1 Signed carbon copy of agreement, from files of Solomon & Singer, dated 2 April, 1964, between A.C.E. Business Machines and ACE Industries Limited of Ireland by which A.C.E. Business Machines sold to ACE Industries Limited dies, parts and tools relating to the Quick Adding Machine for \$435,000.
- 916.2 Signed carbon copy of agreement, from files of Solomon & Singer, dated 10 May, 1963, between Com-

*Exhibit  
No.*

*Description*

- modore Business Machines Inc. and A.C.E. Business Machines Inc. by which Commodore Business Machines sold to A.C.E. Business Machines dies, parts and tools relating to the Quick Adding Machine for \$410,000.
3639. Photostatic copy of share certificate no. C7057 for 75,000 shares of Atlantic Acceptance Corporation Limited registered in name of Hugo Oppenheimbank (Canada) Limited dated June 14, 1965 with attached assignment and transfer form signed on behalf of Hugo Oppenheimbank by J. Tramiel and F. S. Draper, space for assignee being left blank.
3640. Cheque dated February 17, 1961, drawn on the Royal Bank of Canada, payable to Commodore Portable Typewriter Company Limited, in the amount of \$24,992.50 from Netherlands Overseas Corporation (Canada) Limited.
3641. Impression of stamp of Commodore Portable Typewriter Company Limited.
3642. Photostatic copy of page 13 of the Wall Street Journal, Wednesday, June 2, 1965 being a full-page Advertisement for the Racan Dry Copier.
3643. Photostatic copy of letter giving authorization to purchase certain securities dated June 11, 1965 to H. Douglas Lawrence & Co., New York, from Sassoon's Far Eastern Trust Limited, signed "N. Farmer". Attached photostatic copy of envelope postmarked June 12, 1965, Nassau, Bahamas with notation "If undelivered return to Sassoon's Far Eastern Trust Limited, P. O. Box 824, Nassau Bahamas" and photostatic copy of cheque from Sassoon's Far Eastern Trust Limited dated June 11, 1965, payable to H. Douglas Lawrence & Co. in amount of \$60,000 drawn on Royal Bank of Canada, Nassau—signed "N. Farmer".
3644. Letter from Lawrence H. Douglas & Co., Inc., New York, dated June 24, 1965, to United States Securities & Exchange Commission, New York, signed by Lawrence H. Douglas setting forth series of events with respect to transactions with Sassoon's Far Eastern Trust Limited.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3645.	Photostatic copy of invoice no. 1379 of Provincial Envelopes Limited, Toronto to Associated Canadian Holdings Limited dated September 9, 1963 in the amount of \$4,971.77 for 120,000 envelopes, postages, typing and inserting.	3655.	Transcript of examination of Wilfrid Palmer Gregory in bankruptcy of Aurora Leasing Corporation Limited, December 15, 1965.
3646.	Handwritten list, made by Mr. Christie at a Directors' Meeting of Atlantic Acceptance, of four debtor companies with sizeable loans from Atlantic Acceptance Corporation Limited — General Spray Service Inc., Treasure Island, Eastgate Motors and Phantom Industries.	3656.	Transcript of examination of Wilfrid Palmer Gregory in bankruptcy of Associated Canadian Holdings Limited December 15, 1965.
3647.	Submission prepared by Mr. J. G. Arthur, F.C.A. being an outline of generally accepted accounting principles and auditing standards and procedures as they relate to certain business enterprises.	3657.	Transcript of examination of Rennie Arthur Goodfellow in bankruptcy of Associated Canadian Holdings Limited, January 5, 1966.
3648.	Submission prepared by Mr. St. E. V. Smith, F.C.A. relating to accounts peculiar to finance companies.	3658.	Transcript of examination of Mrs. Eva Hoffman in bankruptcy of Racan Photo-Copy Corporation Limited, November 9, 1965.
3649.	Submission prepared by Mr. W. J. Ayers, F.C.A. relating to subject of independence of auditors.	3659.	Transcript of examination of Raymond Charles Hicks in bankruptcy of Evermac Office Equipment Company Limited, October 6, 1965.
3650.	Submission prepared by Mr. R. B. Dale-Harris, F.C.A. relating to duties of an auditor as to compliance with requirements of trust deeds and reports in the case of loan and trust companies.	3660.	Transcript of examination of J. C. Laidlaw in bankruptcy of Masco Construction Company Limited, October 18, 1965.
3651.	Submission prepared by Mr. G. R. Ferguson, F.C.A. relating to: (a) recommended auditing procedures where a holding or parent company is audited by one firm of public accountants and its major subsidiaries are audited by another; (b) auditors report insofar as it relates to reliance on other auditors. Attached to submission is a research study and bulletin of Canadian Institute of Chartered Accountants.	3661.	Transcript of examination of John Claris Laidlaw in bankruptcy of Aurora Leasing Corporation Limited, November 26, 1965.
3652.	Transcript of examination of William George Blacklock in bankruptcy of Valley Farm and Enterprises Limited, October 27, 1965.	3662.	Transcript of examination of Albert Morris Lando in bankruptcy of Associated Canadian Holdings Limited, November 5, 1965.
3653.	Transcript of examination of Mastino Della Scala in bankruptcy of Aurora Leasing Corporation Limited, February 2, 1966.	3663.	Transcript of examination of Albert M. Lando in bankruptcy of Dallas Holdings Limited, November 29, 1965.
3654.	Transcript of examination of Wilfrid Palmer Gregory in bankruptcy of N.G.K. Investments Limited, December 15, 1965.	3664.	Transcript of examination of Kenneth George Lennie in bankruptcy of Racan Photo-Copy Corporation Limited, October 8, 1965.
		3665.	Transcript of examination of Carman G. King in bankruptcy of Aurora Leasing Corporation Limited, January 17, 1966.
		3666.	Transcript of examination of Eugene Last in bankruptcy of Dalite Corporation (Canada) Limited, November 30, 1965.
		3667.	Transcript of examination of Eugene Last in bankruptcy of Dalite Corporation (Canada) Limited, December 3, 1965.
		3668.	Transcript of examination of Eugene Last in bankruptcy of Dalite Corporation (Canada) Limited, December 7, 1965.



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3669.	Transcript of examination of C. P. Morgan in bankruptcy of Evermac Office Equipment Company Limited, October 22, 1965.	3683.	Transcript of examination of Donald Reid in bankruptcy of Frederick's Department Store Limited, November 18, 1965.
3670.	Transcript of examination of C. P. Morgan in bankruptcy of Evermac Office Equipment Company Limited, October 29, 1965.	3684.	Transcript of examination of Donald Reid in bankruptcy of Aurora Leasing Corporation Limited, January 10, 1966.
3671.	Transcript of examination of C. P. Morgan in bankruptcy of Trans Commercial Acceptance Limited, November 3, 1965.	3685.	Transcript of examination of E. Y. Rabbiah in bankruptcy of Racan Photo-Copy Corporation Limited, December 22, 1965.
3672.	Transcript of examination of C. P. Morgan in bankruptcy of Frederick's Department Store Limited, November 25, 1965.	3686.	Transcript of examination of E. Y. Rabbiah in bankruptcy of Racan Photo-Copy Corporation Limited, January 21, 1966.
3673.	Transcript of examination of C. P. Morgan in bankruptcy of Masco Construction Company Limited, November 25, 1965.	3687.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume B, Herbert John Spanton, January 21, 1966.
3674.	Transcript of examination of C. P. Morgan in bankruptcy of Associated Canadian Holdings Limited, January 26, 1966.	3688.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume C, Herbert John Spanton, January 24, 1966.
3675.	Transcript of examination of C. P. Morgan in bankruptcy of Dalite Corporation (Canada) Limited, January 27, 1966.	3689.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume D, Roy Gordon Calladine, January 26, 1966.
3676.	Transcript of examination of C. P. Morgan in bankruptcy of Valley Farm and Enterprises Limited, January 25 and 27, 1966.	3690.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume E, David Murray Samuel, January 26, 1966.
3677.	Transcript of examination of C. P. Morgan in bankruptcy of Dallas Holdings Limited, February 4, 1966.	3691.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume J, David Murray Samuel, February 11, 1966.
3678.	Transcript of examination of C. P. Morgan in bankruptcy of N.G.K. Investments Limited, February 4, 1966.	3692.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume G, Mrs. Hilda Greenberg, January 28, 1966.
3679.	Transcript of examination of C. P. Morgan in bankruptcy of Cimcony of Canada Limited, February 11, 1966.	3693.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume H, David Davidson, January 28, 1966.
3680.	Transcript of examination of Ralph Olver in bankruptcy of Frederick's Department Store Limited, November 18, 1965.	3694.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume K, William George Blacklock, February 16, 1966.
3681.	Transcript of examination of Walter Pahn in bankruptcy of Aurora Leasing Corporation Limited, November 26, 1965.		
3682.	Transcript of examination of Walter Pahn in bankruptcy of Aurora Leasing Corporation Limited, November 29, 1965.		



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3695.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume L, William George Blacklock, February 17, 1966.	3706.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume Y, Robert Elwood Hart, August 17, 1966.
3696.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume N1, Ralph Carter, February 25, 1966.	3707.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume EE, Robert Elwood Hart, August 26, 1966.
3697.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume Q, Neville Levinson, May 31, 1966.	3708.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume Z, James Eliot Thomson, August 17, 1966.
3698.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume R, Carman George King, June 23, 1966.	3709.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume GG, James Eliot Thomson, August 29, 1966.
3699.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume S, Irving Gould, July 20, 1966.	3710.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume BB, Frank Rasky, August 23, 1966.
3700.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume T, Lillian Rosetta Cas-selton (Martin), August 8, 1966.	3711.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume CC, Jules Robert Tim-ins, Jr., August 24, 1966.
3701.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume JJ, Lillian Rosetta Cas-selton (Martin), September 2, 1966.	3712.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume II, Lena Sophia Ben-nett, September 1, 1966.
3702.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume U, Samuel John Hogg, August 8, 1966.	3713.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume KK, Joseph Goldberg, September 2, 1966.
3703.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume V, Elsie Olga Last, Aug-ust 8, 1966.	3714.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume LL, Arnold Carrington Burke, September 21, 1966.
3704.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume W, Eugene Last, August 8, 1966.	3715.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume MM, Arthur Brooks Drohan, September 21, 1966.
3705.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume X, Ernest Nelson Kemp, August 11, 1966.	3716.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume NN, Bernard Chernov-sky, September 21, 1966.

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3717.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume OO, Ian Young Morrison, September 21, 1966.
3718.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume PP, Tino Aranio Piscione, September 21, 1966.
3719.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume RR, Robert John McCullagh, November 30, 1966.
3720.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume SS, Ken M. Somers, December 8, 1966.
3721.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume TT, Alexander McLeish, December 8, 1966.
3722.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume UU, James Edward McConnell, December 9, 1966.
3723.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume VV, John Canning, December 9, 1966.
3724.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Donald E. Batten, November 22, 1965.
3725.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Norma Bergeron, November 22, 1965.
3726.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —George W. Blacklock, November 4, 1965.
3727.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Burke Avery Brown, December 22, 1965.
3728.	Transcript of examination conducted pursuant to the order of

<i>Exhibit No.</i>	<i>Description</i>
	the Ontario Securities Commission —J. R. Campbell, November 5, 1965.
3729.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Enid Mary Mario, November 18, 1965.
3730.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Enid Mary Mario, November 22, 1965.
3731.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Enid Mary Mario, November 24, 1965.
3732.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Omer Poirier, December 8, 1965.
3733.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Gerald Moore Purcell, April 2, 1966.
3734.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Donald Walter Reid, February 23, 1966.
3735.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Paul Rouleau, November 4, 1965.
3736.	Transcript of examination conducted by the Ontario Securities Commission—R. T. Alger and J. W. McCleary, March 25, 1966.
3737.	Transcript of examination conducted by the Ontario Securities Commission—R. T. Alger and J. W. McCleary, April 19, 1966.
3738.	Transcript of examination conducted by the Ontario Securities Commission—Simon E. W. Bowler, March 7, 1966.
3739.	Transcript of examination conducted by the Ontario Securities Commission — William Charles Bryan, April 1, 1965.
3740.	Transcript of examination conducted by the Ontario Securities Commission — William Charles Bryan, January 21, 1966.

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3741.	Transcript of examination conducted by the Ontario Securities Commission — Frederick Burton, April 14, 1966.		Commission—Earl Brodie Hawkins, December 6, 1965.
3742.	Transcript of examination conducted by the Ontario Securities Commission — Frederick Burton, June 8, 1966.	3755.	Transcript of examination conducted by the Ontario Securities Commission—Joseph Carl Heindl, August 30 and 31, 1965 and September 7, 1965.
3743.	Transcript of examination conducted by the Ontario Securities Commission — Vernon Harding Campbell, August 17, 1965.	3756.	Transcript of examination conducted by the Ontario Securities Commission—Eva Hoffman, March 17, 1966.
3744.	Transcript of examination conducted by the Ontario Securities Commission — Joseph Cebulla, August 12, 1965.	3757.	Transcript of examination conducted by the Ontario Securities Commission — Betty Rosetta Hughes, April 21, 1966.
3745.	Transcript of examination conducted by the Ontario Securities Commission — Gordon Joseph Ciglen, February 9, 1966.	3758.	Transcript of examination conducted by the Ontario Securities Commission — Glenna Husak, March 25, 1966.
3746.	Transcript of examination conducted by the Ontario Securities Commission—Robert A. Coppernath, March 24, 1966.	3759.	Transcript of examination conducted by the Ontario Securities Commission — Henry F. Janes, October 12, 1965.
3747.	Transcript of examination conducted by the Ontario Securities Commission—Robert Morgan Cullen, March 2, 1966.	3760.	Transcript of examination conducted by the Ontario Securities Commission — Henry F. Janes, February 9, 1966.
3748.	Transcript of examination conducted by the Ontario Securities Commission — Thomas Michael Devitt, March 23, 1966.	3761.	Transcript of examination conducted by the Ontario Securities Commission — Godfrey Graham Jarvis, September 29, 1965.
3749.	Transcript of examination conducted by the Ontario Securities Commission—Alvin Martin Fruitman, August 31 and September 16, 1965.	3762.	Transcript of examination conducted by the Ontario Securities Commission — Godfrey Graham Jarvis, March 9, 1966.
3750.	Transcript of examination conducted by the Ontario Securities Commission—Morton Robert Goldhar, November 10, 1965.	3763.	Transcript of examination conducted by the Ontario Securities Commission—Cecil Charles Kent, August 30, 1965.
3751.	Transcript of examination conducted by the Ontario Securities Commission — Jerold Grammer, September 16, 1965.	3764.	Transcript of examination conducted by the Ontario Securities Commission — Carman George King, March 14, 1966.
3752.	Transcript of examination conducted by the Ontario Securities Commission — Jerold Grammer, September 21, 1965.	3765.	Transcript of examination conducted by the Ontario Securities Commission — Hannelore Klingemann, March 22, 1966.
3753.	Transcript of examination conducted by the Ontario Securities Commission — Wilfrid Palmer Gregory, April 21, 1966.	3766.	Transcript of examination conducted by the Ontario Securities Commission — Hannelore Klingemann, April 12, 1966.
3754.	Transcript of examination conducted by the Ontario Securities	3767.	Transcript of examination conducted by the Ontario Securities Commission — Walter Kuettner, August 18, 1965.



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3768.	Transcript of examination conducted by the Ontario Securities Commission — Walter Kuettner, December 7, 1965.	3782.	Transcript of examination conducted by the Ontario Securities Commission—Walter Peter Mueller, March 10, 1966.
3769.	Transcript of examination conducted by the Ontario Securities Commission — Eric Horatio Le-Maister, August 30, 1965.	3783.	Transcript of examination conducted by the Ontario Securities Commission — Hans - Joachim Noeckel March 10, 1966.
3770.	Transcript of examination conducted by the Ontario Securities Commission — Eric Horatio Le-Maister, September 1, 1965.	3784.	Transcript of examination conducted by the Ontario Securities Commission — John Christopher O'Brien, August 17, 1965.
3771.	Transcript of examination conducted by the Ontario Securities Commission — Ivan E. Lenard, March 25, 1966.	3785.	Transcript of examination conducted by the Ontario Securities Commission—Morton W. Rashkis, March 2, 1966.
3772.	Transcript of examination conducted by the Ontario Securities Commission—Gerald Little, March 4, 1966.	3786.	Transcript of examination conducted by the Ontario Securities Commission — Maxwell Lawrence Rotstein, January 21, 1966.
3773.	Transcript of examination conducted by the Ontario Securities Commission—Gerald Little, March 11, 1966.	3787.	Transcript of examination conducted by the Ontario Securities Commission — Israel Rotterman, June 21, 1965.
3774.	Transcript of examination conducted by the Ontario Securities Commission — Benjamin London, June 21, 1965.	3788.	Transcript of examination conducted by the Ontario Securities Commission—Dr. Kenneth Roy Rozee, March 9, 1966.
3775.	Transcript of examination conducted by the Ontario Securities Commission—Evelyn Long, March 17, 23 and 26, 1966.	3789.	Transcript of examination conducted by the Ontario Securities Commission — John Watson Shaw, March 28, 1966.
3776.	Transcript of examination conducted by the Ontario Securities Commission — Melba Love, April 22, 1966.	3790.	Transcript of examination conducted by the Ontario Securities Commission — Norman Mitchell Similas, March 25, 1966.
3777.	Transcript of examination conducted by the Ontario Securities Commission — Lachlan William MacPherson, March 14, 1966.	3791.	Transcript of examination conducted by the Ontario Securities Commission—James La Verne Simpson, June 16, 1965.
3778.	Transcript of examination conducted by the Ontario Securities Commission—Lillian Rosetta Martin (Casselton), August 25, 1965.	3792.	Transcript of examination conducted by the Ontario Securities Commission — James Hamilton Simpson, June 22, 1965.
3779.	Transcript of examination conducted by the Ontario Securities Commission — James McCleary, May 17, 1966.	3793.	Transcript of examination conducted by the Ontario Securities Commission—E. Manning Sprackman, April 25, 1966.
3780.	Transcript of examination conducted by the Ontario Securities Commission—Barrie Lester McFadden, June 29, 1965.	3794.	Transcript of examination conducted by the Ontario Securities Commission — Dolores Stewart, March 21, 1966.
3781.	Transcript of examination conducted by the Ontario Securities Commission — Raymond Anthony McFarland, March 9, 1966.	3795.	Transcript of examination conducted by the Ontario Securities Commission—Herbert Keith Taylor, April 4, 1966.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3796.	Transcript of examination conducted by the Ontario Securities Commission—Alfred Weidman, September 22, 1965.	3809.	File, received from Mrs. Morgan marked "Manhattan Sound Corp." containing the following: —One cheque dated March 29, 1963 in amount of \$2,500 U.S. (\$2,696.77 Cdn.) drawn on Toronto-Dominion Bank, 25 Adelaide St. W., Toronto by C. P. Morgan payable to Manhattan Sound Corporation. —One cheque dated August 14, 1963 in amount of \$5,000 U.S. (\$5,428.12 Cdn.) drawn on Toronto-Dominion Bank, 25 Adelaide St. W., Toronto by C. P. Morgan payable to Manhattan Sound Corporation. —One cheque dated October 2, 1963 in amount of \$2,500 U.S. (\$2,700 Cdn.) drawn on Canadian Imperial Bank of Commerce, 25 King St. W., Toronto by C. P. Morgan payable to Manhattan Sound Corporation. —Photocopy of agreement dated 14 November, 1963 between the Grand Bahama Development Company Limited. Adobe International Supply Limited, Freeport International Company Limited and The Lucayan Beach Hotel Company Limited. —Carbon copy of indenture dated the blank day of blank month, 1964 between Daylite of Grand Bahama Company Limited as landlord and The Lucayan Beach Hotel Company as tenant with attached inventory for efficiency units. —Report dated 28 February, 1964 signed by F. K. Cockburn re: D.H.I. Limited. —Letter dated January 21, 1966 to Mrs. Mildred L. Morgan from William R. Fisher of Royall, Koegel & Rogers, New York re: signing of proxy for annual shareholders meeting of Manhattan Sound Corporation. —Letter dated January 21, 1966 to Mrs. Mildred Morgan from Fred B. Adair Jr. re: annual shareholders meeting of Manhattan Sound Corporation. —Carbon copy of minutes of a special meeting of board of directors of Manhattan Sound Corporation held on January 26, 1966 in New York. —Photocopy of notice of annual meeting of stockholders of Manhattan Sound Corporation to be held on February 8, 1966 in New York.
3797.	Transcript of examination conducted by the Ontario Securities Commission—John Edward Williams, June 24, 1965.		
3798.	Transcript of examination conducted by the Ontario Securities Commission—Bruce Wilson, September 8, 1965.		
3799.	Transcript of voluntary appearance of C. Powell Morgan, September 2, 1965.		
3800.	Transcript of examination for discovery in action in the County Court of the County of York—Bernard Chernovsky, Dalite Corporation (Canada) Limited, February 1, 1965.		
3801.	Transcript of examination for discovery in action in the County Court in the County of York—Eugene Last, Dalite Corporation (Canada) Limited, February 1, 1965.		
3802.	Transcript of voluntary deposition of Carrol M. Shanks, October 20, 1966.		
3803.	Transcript of voluntary deposition of George H. Weinrott, October 21, 1966.		
3804.	Consent of Ontario Securities Commission, dated 28 January, 1966.		
3805.	Consent of Ontario Securities Commission, dated 13 January, 1967.		
3651.1	List of transcripts filed as Exhibits 3652 to 3803 inclusive.		
3807.	Letter from J. B. Lind, Secretary to the Commission—copy sent to every person who had claimed protection of the Acts in connection with any transcripts of examinations which were to be introduced as evidence.		
3808.	Six page list entitled "Witnesses claiming the Protection of the Evidence Acts".		
3808.1	List of files and documents received from Mrs. C. P. Morgan by William Arden Smythe, on Monday, February 6, 1967—Exhibits nos. 3809 to 3874 inclusive.		

*Exhibit  
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*Description*

3810. File, received from Mrs. Morgan, marked "Aurora Leasing Corp. Ltd." containing the following:  
—Letter to C. P. Morgan from Harries, Houser, Brown & Houlden dated February 2, 1966 re: cancellation of examination for February 7, 1966 at Peter McHugh's office.  
—One Aurora Leasing Corp. Ltd. share certificate no. 0125, 100 shares to Walter Pahn in trust.  
—One Aurora Leasing Corp. Ltd. share certificate no. 0126, 100 shares to John C. Laidlaw in trust.  
—One Aurora Leasing Corp. Ltd. share certificate no. 0127, 6,800 shares to Carl M. Solomon.  
—One Aurora Leasing Corp. Ltd. share certificate no. 0200, 700 shares to Walter Pahn in trust.
3811. File, received from Mrs. Morgan, marked "Conarm Development Company" containing the following:  
—Letter dated May 29, 1963 to C. P. Morgan from Cuzner & MacQuarrie, Solicitors, Ottawa, Ontario, enclosing declaration of trust and share certificate no. 10  
—2,999 common shares in capital stock of Conarm Developments Limited in name of Roy Henderson Cuzner in trust.  
—Letter to C. P. Morgan dated August 31, 1966 from legal firm of Goodman & Goodman, Toronto, re: Conarm Developments Limited.  
—One share certificate of Conarm Developments Limited no. 7, 1 share in the name of C. Powell Morgan.
3812. File, received from Mrs. Morgan, marked "L.B.H. Management" containing the following:  
—Letter addressed to Mr. Morgan dated October 11, 1965 from Lucayan Beach Hotel signed "Frank", showing advances of \$185,169.83 U.S. on March 1, 1965; May 5, 1965 \$25,000 U.S.
3813. File, received from Mrs. Morgan, marked "Masco Construction Co." containing the following:  
—one card dated November 5, 1965 from Clarkson Company Ltd. re: claim of \$100,000 against the Estate of Masco Construction Co.
3814. File, received from Mrs. Morgan, marked "N.G.K. Investments Ltd." containing the following:  
—Letter from Department of the Provincial Secretary and Citizenship, Companies Branch to N.G.K.

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*Description*

- Investments Limited, c/o Mr. C. Powell Morgan and return letter from Mr. Morgan attached.  
—Statement of assets and liabilities as at July 29, 1965 of N.G.K. Investments Limited.  
—One share certificate no. 74, 100 shares of N.G.K. Investments Limited to C. Powell Morgan.  
—One share certificate no. 64, 699 shares of N.G.K. Investments Limited to C. Powell Morgan.  
—One share certificate no. 6, 1 share of N.G.K. Investments Limited to C. Powell Morgan.  
—One N.G.K. Investments Limited convertible promissory note no. 33, in the amount of \$2,000 payable to C. Powell Morgan.  
—Card, dated August 25, 1965 addressed to C. Powell Morgan from Clarkson Company Limited re: Mr. Morgan's claim for \$2,000 plus interest against estate of N.G.K. Investments Limited.
3815. File, received from Mrs. Morgan, marked "Bauman's", containing the following:  
—Envelopes and bill to Mrs. Morgan re: processing of film.
3816. File, received from Mrs. Morgan, marked "Associated Canadian Holdings Ltd." containing the following:  
—Letter dated August 11, 1965 to Mr. C. P. Morgan from Canadian Imperial Bank of Commerce certifying that the guarantee bond and postponement of claim for the indebtedness of Associated Canadian Holdings Limited to the Bank for \$50,000 has been cancelled.  
—Resolution of the board of directors of Associated Canadian Holdings Ltd. granting authority to sell and assign securities.  
—One share certificate of Associated Canadian Holdings Limited no. 19, 52,237 common shares to C. Powell Morgan.  
—One share certificate of Associated Canadian Holdings Limited no. 11, 26,118 preference shares to C. Powell Morgan.
3817. File, received from Mrs. Morgan, marked "Lucayan Beach Hotel & Development" containing the following:  
—Balance sheet at 30 September, 1965 re: Lucayan Beach Hotel and Development Limited and its subsidiaries.  
—One cancelled cheque dated March 25, 1964, payable to E. D.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
	Sassoon Banking Co. Ltd. in the amount of \$15,000 drawn on Toronto-Dominion Bank, 25 Adelaide St. West, Toronto signed by C. P. Morgan. —One cancelled cheque dated March 3, 1964, payable to E. D. Sassoon Banking Co. Ltd. in the amount of \$10,000 drawn on Toronto-Dominion Bank, 25 Adelaide St. West, Toronto, signed by C. P. Morgan.		at 31 December, 1963 (Canadian dollars). —Two newspaper clippings from Toronto Daily Star on Lucayan Beach Hotel, dated February 1, 1964.
3818.	File, received from Mrs. Morgan, marked "Cleardale Properties Limited" containing the following: —Letter to Powell Morgan dated January 7, 1966, signed by J. A. Sinnott, President, stating that Cleardale Properties Limited was indebted to Mr. Morgan in the amount of \$2,000 as of 30 September, 1965. —Statement of disposition of Cleardale Properties Limited held jointly by William L. Walton, Harry Wagman, C. Powell Morgan. —Cleardale Properties Limited, auditors report, financial statements dated 30 September, 1965. —Four letters, dated September 16, 1965, December 16, 1965 (2) and February 1, 1966, to Powell Morgan from J. A. Sinnott, President, Cleardale Properties Limited re: endeavouring to sell Mr. Morgan's share of Cleardale Properties Ltd. —Photocopy of an Agreement dated 30 April, 1965 between Thomas Lawson, George H. Belton, Roscoe James, Edwin C. Harley, Reginald A. Palmer, Powell Morgan, William M. Sifton, Lyle F. Pepino, James Sinnott, Charles A. Thompson, Doris Sifton, Granite Investment & Development Limited, Roy James Construction Limited, Woodholme Holdings Limited and Braeburn Securities Company Limited of the first part and Clarksdale Corporation Limited of the second part concerning shares of Cleardale Properties Limited.	3820.	File, received from Mrs. Morgan, marked "Goodman & Goodman" containing: —Correspondence between legal firm of Goodman & Goodman and C. P. Morgan re: Morgan ats. Regina Investment Corporation. Morgan ats. Arcan Corporation Limited Royal Commission on Atlantic Acceptance Account for legal fees. Personal letter. —Correspondence between legal firm of McMillan, Binch, Stuart, Berry, Dunn, Corrigan & Howland and C. P. Morgan re: Royal Bank of Canada Freeport and Royal Commission on Atlantic Acceptance Corporation Ltd., with attached authorization. —Registered mail, personal letter dated 7 July, 1965 to Mr. C. P. Morgan from William S. Hulton, Manager of the Mercantile Bank of Canada. —Handwritten notes of C. P. Morgan re: Royal Commission on Atlantic Acceptance Corporation Limited hearings.
3819.	File, received from Mrs. Morgan, marked "Peter D. Graham" containing the following: —Assignment to purchase fully paid, non-assessable shares of capital stock of the Lucayan Beach Hotel Company Limited signed by Peter D. Graham (original and two copies). —Copy of Five Wheels of Grand Bahama Limited balance sheet as	3821.	File, received from Mrs. Morgan, marked "Chartered Management Consultants" containing the following: —Correspondence between Mr. C. P. Morgan and Mr. Peter Yardley, Assistant Registrar of the Institute of Chartered Accountants of Ontario re: proposed change of name of Chartered Management Consultants (of Canada) Limited to Cammil Management Consultants of Canada Limited. —Letter dated December 16, 1965 to C. P. Morgan from Toronto-Dominion Bank, 111 Richmond St. West, Toronto, re: signing authorities for Chartered Management Consultants of Canada Limited. Letter dated June 25, 1965 from Carl M. Solomon to the board of directors of Chartered Management Consultants of Canada Limited tendering his resignation as a director and/or officer of Chartered Management Consultants of Canada Limited.



*Exhibit  
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*Description*

—Letter dated December 2, 1965 from M. H. Chusid of Pivnick, Givens & Chusid, Solicitors to Chartered Management Consultants of Canada Limited enclosing letter of resignation of Sidney Chusid as Director and Secretary-Treasurer of Chartered Management Consultants of Canada Limited.

—Handwritten carbon copy letter dated November 26, 1965 to A. J. B. Gray, Assessment Commissioner, from Chartered Management Consultants of Canada Limited signed C. P. Morgan re: 1966 assessment notice for premises at 111 Richmond Street West and card in reply from Mr. A. J. B. Gray.

—Appellant's notice stamp dated February 25, 1966, to Chartered Management Consultants (of Canada) Limited from City Clerk re: adjustment of 1965 business tax on Room 1002 — 111 Richmond Street West.

—Working paper trial balance Chartered Management dated 31 October, 1965.

—Banking resolution in blank with handwritten note dated September 30, 1965 which reads (1) Either Sidney P. Chusid or C. P. Morgan to sign, (2) C. P. Morgan alone; together with two blank cheques of Chartered Management Consultants (of Canada) Limited.

—Draft annual return to the Department of Provincial Secretary and Citizenship as of 31 March, 1965 re: Chartered Management Consultants (of Canada) Limited.

—4 statements from Barrett Goodfellow & Company Limited to Chartered Management Consultants of Canada Limited re: security position re: Lucayan Beach Hotel Development.

—Original and carbon of blank personal property taxation return, Bloomington, Minnesota, County of Hennepin addressed to Chartered Management Consultants of Canada Limited re: DBA Sprayfoil Corporation.

—Notice of assessment of Chartered Management Consultants of Canada Limited (trade name DBA Sprayfoil Corporation) in the amount of \$2,673.36 for property in Bloomington.

—Notice of credit balance of taxes on 111 Richmond Street West, dated April 20, 1966 from Tax Branch, City Hall, Toronto to

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*Description*

Chartered Management Consultants of Canada Limited.

—1 share certificate no. 0163 for 1570 Shares of Aurora Leasing Corporation Limited in the name of the Chartered Management Consultants of Canada Limited.

—Ledger sheets of various entries in loose form, not identified.

—Blank return re: security transfer tax for the year ended 30 November, 1965 re: Chartered Management Consultants of Canada Limited.

3822. File, received from Mrs. Morgan, marked "Estate of Allan William Steggle T/A Bruce Natural Stone —Correspondence (misc.) (A-Z)" containing the following:

—Letter dated August 3, 1964 to Mr. C. Powell Morgan and Mr. Rennie Goodfellow from S. Donald Moore, Calgary, Alberta re: Dominion Leaseholds Ltd. which letter serves as an agreement.

—Envelope containing financial statement of Mavety Film Delivery Limited as at 31 March, 1965 prepared by Wagman, Fruitman & Lando, Chartered Accountants.

—Interim financial statements of Associated Canadian Holdings Limited as at 31 March, 1965.

—Interim financial statements of Dallas Holdings Limited as at 31 March, 1965.

—Interim financial statements of Gassem Enterprises Limited as at 31 March, 1965.

—Interim financial statements of Hilltop Holdings Limited as at 31 March, 1965.

—Interim financial statements of Mavety Film Delivery Limited as at 31 March, 1965.

—Interim financial statements of N. G. K. Investments Limited as at 31 March, 1965.

—Interim financial statements of Triangle Warehousing Limited, as at 31 March, 1965.

—Interim financial statements of Yarrum Investments Limited as at 31 March, 1965.

—Letter dated April 27, 1965 to Treasure Island Gardens Limited from A. M. Lando, C.A. of Wagman, Fruitman & Lando enclosing interim financial statements of Treasure Island Gardens Limited as at 31 March, 1965 prepared by Wagman, Fruitman & Lando, Chartered Accountants.

—Statement dated June 30, 1965 to Mr. Powell Morgan from Jenkin,



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
	Evans & Co. Limited, stock brokers, re: shares of Commodore Business Machines (Canada) Limited.	3828.	Photocopy of agreement, received from Mrs. Morgan, dated 4 September, 1964 between Deak & Company Inc. and Yassin Rabbiah.
3823.	Four-page letter, received from Mrs. Morgan, dated July 10, 1964 to Mr. C. Powell Morgan from S. Donald Moore, Box 636, Calgary, Alberta re: Dominion Leaseholds—Wright-Woolcott.	3829.	Handwritten note, received from Mrs. Morgan, dated May 15, 1964 to David Rush, trustee for Jerome Brian Rush signed by E. Y. Rabbiah being authorization to release balance of 65,000 shares of Racan Photo-Copy Corp. Ltd. stock held by Premier Finance Corp. under agreement dated 2 July, 1963. Attached is photostat of the agreement, dated 2 July, 1963 between: Louis Herman and David Rush as Trustee for Jerome Brian Rush and Elias Rabbiah. Also attached is handwritten receipt dated October 11, 1963 to Louis Herman, Q.C., signed by David Rush for certificate no. C2589 of Racan Photo-Copy Corporation Limited.
3824.	Carbon copy of receipt, received from Mrs. Morgan, given to Toronto-Dominion Bank, King & Yonge Streets, Toronto for securities of American International Bowling Corp., Five Wheels Limited and Trans-Alaska Telephone Co. signed in pencil by H. Wagman, Secretary-Treasurer for Associated Canadian Holdings Limited and dated August 17, 1964 in pencil. Attached to receipt is a thermofax copy of a certificate of corporate resolutions re: St. Lawrence Industries Inc. signed by Milton E. Mermelstein, Secretary.	3830.	One folder, received from Mrs. Morgan, containing news clippings, magazine articles, brochures re: Lucayan Beach Hotel, Dalite Corporation (Canada) Limited and Daylite of Grand Bahama Company Limited.
3825.	Carbon copy of a letter, received from Mrs. Morgan, dated August 30, 1965 to The Clarkson Company Limited, Trustee, Associated Canadian Holdings Limited from C. Powell Morgan re: purchase of shares of Five Wheels Limited by Mr. Shelman from Associated Canadian Holdings Limited.	3831.	1 small brown envelope, received from Mrs. Morgan, addressed to Mr. C. Powell Morgan containing the following: —Statement of stock position dated February 26, 1965 to Mr. Powell Morgan from Jenkin, Evans & Co. Limited. —Statement of stock position dated February 26, 1965 to C. Powell Morgan, Esq., from O'Brien & Williams. —Statement of stock position dated February 28, 1965 to Mr. C. P. Morgan from Annett Partners Limited. —Statement of stock position dated February 28, 1965 to C. Powell Morgan from Barrett, Goodfellow & Co. —Handwritten memo dated March 29.
3826.	Interim financial statement, received from Mrs. Morgan, of Aurora Leasing Corporation Limited as at 31 March, 1965.	3832.	One small white envelope, received from Mrs. Morgan, with handwritten notation "Powell says Rennie Goodfellow paid for these tickets" containing the following: —Trans World Airlines Inc. ticket dated February 4, 1965 in name of Mr. C. P. Morgan for flight Toronto-New York-Paris-Geneva-Zurich-London-New York-Toronto.
3827.	Brown envelope, received from Mrs. Morgan, addressed to C. P. Morgan, Atlantic Acceptance Corporation Limited containing the following: —Letter dated May 24, 1961 to H. P. Haddrath, President, Pro Musica Limited, signed R. Kenton, C.P.A. with attached financial statements as at 28 February, 1961 of Pro Musica Limited, Life Radio and Television Company, the Solar Radio and Television Company, Vancouver Music House, Ottawa Music Centre. —Letter dated May 25, 1961 to Commodore Sales Acceptance Limited, attention Messrs. C. P. Morgan and H. Wagman signed by H. P. Haddrath re: Pro Musica Limited and affiliated companies.		

*Exhibit  
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*Description*

- Trans World Airlines Inc. ticket dated February 4, 1965 in name of Mrs. C. P. Morgan for flight Toronto-New York-Paris-Geneva-Zurich-London-New York-Toronto.
- Trans World Airlines Inc. ticket dated March 29, 1965 in name of Mr. C. P. Morgan for flight Toronto-New York-Paris-London-Toronto.
3833. One Bank of Nova Scotia current account deposit book, received from Mrs. Morgan, in name of Daylite of Grand Bahama Company Limited with Code no. 5160-15 containing duplicate deposit slips from January 28, 1964 to April 30, 1965.
3834. One Royal Bank of Canada, Freeport, Grand Bahama U.S. dollar cheque book, received from Mrs. Morgan, with notation on cover "Daylite of Grand Bahama Co. Limited, Rent Account".
3835. Letter, received from Mrs. Morgan, dated September 30, 1963 to C. Powell Morgan from Doherty, Roadhouse & McCuaig Bros., stock brokers with attached receipt for 2,000 shares of Atlantic Acceptance 2nd preferred series A and also attached is a letter dated October 2, 1963 re: error in mailing a contract for sale of 100 Atlantic Acceptance 2nd preferred series A.
- Letter dated October 8, 1963 to Mr. C. Powell Morgan from Doherty Roadhouse & McCuaig Bros. enclosing receipt for 3,000 shares of Atlantic Acceptance 2nd preferred series A.
- Transaction trading slips of sale of Atlantic Acceptance shares sold by Doherty, Roadhouse & McCuaig Brothers Limited, Stock Brokers for Mr. C. Powell Morgan during the month of October, 1963.
3836. Letter, received from Mrs. Morgan, dated September 26, 1963 to C. Powell Morgan from British Mortgage & Trust Company, Stratford, Ontario, re: 3 × 1,000 Atlantic Acceptance Corporation Limited second preferred series A with a blank promissory note attached.
3837. Four statements, received from Mrs. Morgan, of stock position of C. P. Morgan re: Analogue Controls dated February 28, 1965, April

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*Description*

- 30, 1965 (two) and July 31, 1965 to Royal Bank of Canada, Freeport from Barrett, Goodfellow & Co. with attached copies of ledger sheets.
3838. One bundle of ledger cards, received from Mrs. Morgan, with cancelled cheques and debit slips for the account of C. Powell Morgan at the Toronto-Dominion Bank, King & Bay Streets Branch from February 13 to June 22, 1965.
3839. One bundle of ledger cards, received from Mrs. Morgan, together with cancelled cheque and debit slips for the account of C. Powell Morgan at the Bank of Nova Scotia, Toronto Branch, from April 28, 1961 to August 25, 1965.
3840. One bundle of ledger cards, received from Mrs. Morgan, together with cancelled cheques and debit slips for the account of C. Powell Morgan at the Canadian Imperial Bank of Commerce, 25 King Street West from September 5, 1963 to July 29, 1965.
3841. One bundle of ledger cards, received from Mrs. Morgan, together with cancelled cheques and debit slips for the Account of Daylite of Grand Bahama Company Limited at the Bank of Nova Scotia, Toronto branch, from January 28, 1964 to July 6, 1965 and also a demand note dated June 20, 1962 in the amount of \$94,500 to Aurora Leasing Corporation Limited from Don Mills.
3842. One bundle of ledger cards, received from Mrs. Morgan, together with a cancelled cheque and credit slips for the U.S. dollar account of Daylite of Grand Bahama Company Limited at the Bank of Nova Scotia, Toronto Branch from August 14, 1964 to July 9, 1965.
3843. One Canadian passport no. 5-082006 in the name of Campbell Powell Morgan issued April 19, 1960, received from Mrs. Morgan.
3844. Bundle of ledger cards, received from Mrs. Morgan, together with cancelled cheques and debit slips of Toronto-Dominion Bank, 25 Adelaide Street West to Mr. C. Powell Morgan from March 30, 1961 to February 25, 1965.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3845.	Carbon copy of a memo, received from Mrs. Morgan, dated June 19, 1965 to A. G. Woolfrey from F. H. Hoge, Jr. re: lease programme with Associates Leasing. attached is a photocopy of a special delivery letter dated June 11, 1965 from Associates Leasing Corporation of Indiana to Mr. Francis H. Hoge, Jr. re: lease programme with attached draft guaranty form.		funds for basic expenses of Racan Photo-Copy Corporation Limited. Attached is a carbon copy of estimate of basic expenditures June-September 1964 of Racan Photo-Copy Corporation Limited and copy of letter dated 9 June, 1964 from National Trust Company to Racan Photo-Copy Corporation Limited re: mortgage on 268 Merton Street.
3846.	Carbon copy of a letter, received from Mrs. Morgan, dated May 10, 1962 to Commodore Sales Acceptance Limited, attention Mr. Woolfrey from Solomon, Singer & Rosen re: Commodore Sales Acceptance Limited—Loan to Dalite Corporation (Canada) Limited.	3852.	Copy of a letter, received from Mrs. Morgan, dated the blank day of June, 1963 from E. Y. Rabbiah to Louis Herman, Esq., Q.C., re: 45,000 shares of Racan Photo-Copy Corporation Limited owned by Louis Herman and held by E. Y. Rabbiah in trust for Mr. Herman.
3847.	Carbon copy, received from Mrs. Morgan, of financial statement marked "Preliminary Draft Only" of Dalite Corporation (Canada) Limited as at 31 July, 1962 prepared by Walton, Wagman & Company.	3853.	Carbon copy of an agreement, received from Mrs. Morgan, between Anglo-Overseas Capital Corporation Limited, Nassau, Bahamas and Elias Y. Rabbiah dated 18 April, 1964, signed by E. Y. Rabbiah and N. Bloch, President, Anglo-Overseas Capital Corporation Limited.
3848.	Letter, received from Mrs. Morgan, dated April 25, 1963 to C. Powell Morgan from Solomon, Singer & Rosen re: Commodore Factors Limited and Messrs. J. G. Meckler and M. J. Lazar, together with carbon copy of a letter to Lang, Michener, Cranston & Renwick, and attached draft of an acknowledgement, authorization & release to Commodore Factors Limited et al from J. George Meckler and Maurice J. Lazar.	3854.	Carbon copy of memorandum, received from Mrs. Morgan, of meeting held December 18, 1963 between Mr. C. P. Morgan, Mr. E. M. Sprackman and Mr. E. Y. Rabbiah re: Premier Finance Corporation Limited, O'Neill Finance Company Limited and Racan Photo-Copy Corporation Limited and subsidiaries.
3849.	Letter, received from Mrs. Morgan, dated June 23, 1965 to Mr. C. P. Morgan from Commodore Business Machines Company signed by F. S. Draper re: \$100,000 note from Anglo-Overseas.	3855.	Financial statement, received from Mrs. Morgan, of Racan Photo-Copy Corporation Limited and its wholly-owned subsidiaries for year ended 30 June, 1963 prepared by Grammer, Birnbaum & Co.
3850.	Letter, received from Mrs. Morgan, dated December 29, 1963 to Commodore Business Machines (Canada) Limited from E. Y. Rabbiah re: shares of Racan Photo-Copy Corporation Limited and shares of Commodore Business Machines (Canada) Limited.	3856.	Carbon copy of assignation, received from Mrs. Morgan, of Shares of Dale Estate Limited to Annett & Company Limited, Federal Farms Limited and Yarrum Investments Limited dated 19 January, 1962, unsigned.
3851.	Carbon copy of a letter, received from Mrs. Morgan, dated June 16, 1964 to Mr. Samuel Ciglen c/o Anglo-Overseas Capital Corporation from Racan Photo-Copy Corporation Limited per M. Kapp re:	3857.	Carbon copy of a letter, received from Mrs. Morgan, on letterhead of British Mortgage & Trust Company dated April 2, 1963 to Mr. Carman G. King, Annett & Company Limited re: Commodore Business Machines (Canada) Limited signed "Wilf".



- | <i>Exhibit<br/>No.</i> | <i>Description</i>   |
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| 3858.                  | Carbon copy of a letter, received from Mrs. Morgan, dated September 6, 1963 to E. Y. Rabbiah, President, Racan Photo-Copy Corporation Limited from Manfred Kapp, Vice-President, Associated Canadian Holdings Limited, re: purchase of Photocopy Division of Racan Photo-Copy Corporation Limited.   |
| 3859.                  | Letter, received from Mrs. Morgan, dated October 18, 1961 to Mr. C. Powell Morgan from Donald W. Reid re: share certificates of Frederick's Department Store Limited.  |
| 3860.                  | Copy of News Bulletin of International Counseling, 99 Wall Street, New York 5, N.Y. re: purchase of leading West German Business Machine Manufacturers Company by Commodore Business Machines, received from Mrs. Morgan.  |
| 3861.                  | One brown envelope marked Box 605, Oakville, Ontario, received from Mrs. Morgan, containing the following:<br>—Advertisement re: Racan Dry Copier.<br>—Two business reply cards advertising Racan Dry Copier.<br>—Financial statement of E. D. Sassoon Banking Company Limited for year ended 31 December, 1962 with pencilled notations.<br>—Letter dated October 21, 1964 on British Mortgage & Trust Company letterhead to C. P. Morgan, Esq., signed "Wilf" re: holdings of Commodore.<br>—Statement dated January 4, 1965 of Securities held by Toronto-Dominion Bank, 25 Adelaide Street West as collateral security on account of C. Powell Morgan.<br>—Letter dated April 15, 1965 to C. Powell Morgan from Toronto-Dominion Bank, 25 Adelaide Street West listing securities held by them as collateral security on account of Mr. C. P. Morgan.<br>—Statement dated November 9, 1965 of securities held by Toronto-Dominion Bank, 25 Adelaide Street West as collateral security on account of C. Powell Morgan.<br>—U.S. bank lines of credit, by States. |
| 3862.                  | One brown envelope, received from Mrs. Morgan, addressed to C. P. Morgan with return address of Wagman, Fruitman and Lando   |

- | <i>Exhibit<br/>No.</i> | <i>Description</i>   |
|------------------------|--|
|                        | with pencilled notations on back and containing the following:<br>—Statement of account of Masco Construction Company Limited with Bank of Nova Scotia at May 31, 1965.<br>—Statement of account of C. Powell Morgan with Bank of Nova Scotia, Toronto branch at October 29, 1964 together with cancelled cheque and debit slips.<br>—Bundle of cancelled cheques and debit slips drawn on Morgan trust account with the Royal Bank of Canada, Freeport, Grand Bahama from February 26, 1965 to April 30, 1965.<br>—Undated handwritten note which reads as follows: "I thought that you may like to know that I discovered Farkas' cache. My face is pretty red and it teaches me a lesson that you just can't trust everybody. The goods are in the garage and basement of the place where Turtle lives on Brooke Ave." and is signed "Herb".<br>—Letter dated June 8, 1962 to Aurora Leasing Corporation Limited, attention C. Powell Morgan from Annett Partners Limited with attached list of securities which Annett Partners is keeping for Aurora.<br>—original and two copies of an undated, unsigned acknowledgement to Barrett, Goodfellow & Company Limited.<br>—Statement of the Morgan trust account with the Royal Bank of Canada at 3 May, 1965.<br>—21st page of an agreement which is unsigned between Lawson & Jones Limited and Commodore Business Machines (Canada) Limited with pencilled notes on the reverse side as follows:<br>"Interim statement to 4/30/65 Sales—1,125,000; Expense 364,-702.50; + 7,501.27, 372,203.77; Repaid Loans 619,279.20; a/cs Rec. 100,536.25".<br>—one Royal Bank of Canada empty cheque book with list of cheques issued. |
| 3863.                  | One brown envelope addressed to Wilfrid P. Gregory, Esq., Q.C., President and General Manager, British Mortgage & Trust Company, received from Mrs. Morgan, containing the following:<br>—carbon copy of a letter dated July 19, 1963 to G. Groship, President, Arcan Corporation Limited from H. B. Mayer, of Wahn, Mc-   |



## APPENDIX B

*Exhibit  
No.*

### *Description*

Alpine Mayer, etc., enclosing a carbon copy of an opinion of Mr. Mayer's investigations into the issue of 285,000 shares of Arcan Corporation Limited on September 14, 1962.

—Agreement dated 5 December, 1963 between Lucayan Beach Hotel Company Limited and Associated Canadian Holdings signed by Allan S. Manus and Manfred Kapp.

—Letter dated January 2, 1964 to Peter Graham, Nassau, Bahamas, signed by Allan S. Manus re: option to purchase shares of Lucayan Beach Hotel.

—Carbon copy of a letter dated July 12, 1963 to Aurora Leasing Corporation Limited, attention Mr. Harry Wagman, from Solomon, Singer & Rosen re: John Belli Operations Limited:

Refinancing: sale of shares to John R. Shemilt. Attached are carbon copy of four releases, three of which were signed by C. Powell Morgan and the other one by J. C. Laidlaw. Also attached is a carbon copy of an agreement dated July 2, 1963 between C. Powell Morgan, John R. Shemilt and John Belli Operations Limited, signed by C. P. Morgan and John R. Shemilt and witnessed by Irwin Singer.

3864. Six cheques, received from Mrs. Morgan, payable to Carl Solomon from C. P. Morgan drawn on the Toronto-Dominion Bank, 25 Adelaide St. W. for \$1,000. each, marked "retainer" for months of September, October, November, December, 1963 and January and February, 1964.

3865. Pencilled handwritten memorandum undated, received from Mrs. Morgan, headed "Masco Construction Co." re various loan transactions between Commodore Sales Acceptance, Daylite of Grand Bahama and Masco Construction. Attached are blank promissory notes from Daylite of Grand Bahama Company Limited to Masco Construction Company Limited.

3866. Carbon copy of a letter, received from Mrs. Morgan, dated December 15, 1964 to A. Camisso, Esq., from S. Donald Moore re: Dominion Leaseholds—Wright—Woolcott with attached carbon copy of letter dated December 15, 1964 to R. S. Matheson, Esq., from S. Donald

*Exhibit  
No.*

### *Description*

Moore re: Dominion Leaseholds—Wright—Woolcott.

3867. Two letters, received from Mrs. Morgan, dated July 13, 1962 and July 18, 1962 to Walton & Wagman, attention Mr. Harry Wagman, from Solomon, Singer & Rosen re: transfer of shares of Commodore Business Machines (Canada) Limited.

3868. Letter, received from Mrs. Morgan, dated March 17, 1964 to C. Powell Morgan from Solomon & Singer re: shares of Fun-A-Marin Limited. Attached are four share certificates of Fun-A-Marin Limited dated February, 1964 registered as follows:

1—One share certificate no. 4 in name of C. Powell Morgan for 1350 preference shares.

2—One share certificate no. 5 in name of Mildred Morgan for 1000 preference shares.

3—One share certificate no. 9 in name of C. Powell Morgan for 520 common shares.

4—One share certificate no. 10 in name of Mildred Morgan for 174 common shares.

Also attached is a promissory note dated February 10, 1964 to C. Powell Morgan for \$1,500. signed by J. C. Laidlaw for Fun-A-Marin Limited.

3869. One brown envelope, received from Mrs. Morgan, marked P. O. Box 605, Oakville, Ont., Mr. Morgan containing the following:

—carbon copy of minutes of first meeting of directors of Daylite of Grand Bahama Company Limited held August 30, 1963.

—Carbon copy of minutes of first annual general meeting of shareholders of Daylite of Grand Bahama Company Limited held August 30, 1963.

—Carbon copy of minutes of an extraordinary general meeting of shareholders of Daylite of Grand Bahama Company Limited held December 3, 1963.

—Carbon copy of memorandum of Association of Daylite of Grand Bahama Company Limited dated August 26, 1963.

—Copy of articles of association of Daylite of Grand Bahama Company Limited dated August 26, 1963.

—Five acknowledgements all dated 30 August, 1963 signed by Alice L. Albury, Beryl V. Bethel, Dorothy

*Exhibit  
No.*

*Description*

G. Bethel, Jolanta M. Graham and Bernard A. Thompson declaring that beneficial interest in shares of Daylite of Grand Bahama Company Limited held by them is vested in Dalite Corporation (Canada) Limited.

—Handwritten notations in inter-office memorandum form of Atlantic Acceptance Corporation Limited.

3870. One white envelope, received from Mrs. Morgan, with handwritten notation "Left by Powell on his desk prior to his re-entering hospital Friday, September 9, 1966" containing the following:

—Statement of account of C. P. Morgan with Barrett, Goodfellow & Co. from August 10, 1961 to January 25, 1962.

—bundle of cancelled cheques drawn on account of C. P. Morgan at Toronto-Dominion Bank, 25 Adelaide Street West from May, 1961 to April, 1965.

—One cancelled cheque dated August 31, 1963 payable to Atlantic Acceptance Corp. Ltd. by C. P. Morgan drawn on Canadian Imperial Bank of Commerce, 25 King St. West.

—One cancelled counter cheque dated June 6, 1963 payable to Fun-A-Marin Limited by C. P. Morgan drawn on Bank of Nova Scotia, King & Bay Streets branch.

—Letter dated February 2, 1966 to C. Powell Morgan from D. E. Baird of Harries, Houser, Brown & Houlden enclosing two cheques dated December 29, 1964 and May 18, 1965 payable to Associated Canadian Holdings Limited in amount of \$128,019.50 and \$24,000. drawn on Account of C. P. Morgan at Toronto-Dominion Bank, 25 Adelaide St. West. These cheques were used as Exhibits to Examinations of C. P. Morgan in bankruptcy of Associated Canadian Holdings Limited.

3871. Carbon copy of a memorandum, received from Mrs. Morgan, entitled "Transcription of tape made by C. Powell Morgan at St. Michael's Hospital (around 4 October, 1966) in the presence of his wife, Mildred, Tape is available". Tape is re: Commodore Sales Acceptance minority interest and is addressed to "Honourable Samuel Hughes, Commissioner into the Atlantic Enquiry".

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*Description*

3872. Letter, received from Mrs. Morgan, dated June 28, 1965 on British Mortgage & Trust Company letterhead to Mr. C. Powell Morgan signed "Wilf" re: assignment of interest in North Wellington Properties and his Barrett, Goodfellow account to British Mortgage & Trust Company with two copies of assignment of interest in blank form enclosed for Mr. Morgan's signature.

Handwritten letter addressed "Dear Powell" signed "Wilf" re: failure to execute above assignment of interest. Two news bulletins of the International Financial Advisory Service.

3873. News bulletin from International Counseling, received from Mrs. Morgan, re: new adding machine plant at Shannon, Ireland which will utilize Commodore Business Machines tools and dies.

3874. Handwritten note, received from Mrs. Morgan, dated May 15, 1963, to Premier Finance Corp. 500 University Avenue, signed E. Y. Rab-biah re: delivery instructions relating to shares of Racan. Attached thereto handwritten note to Premier Finance Corp. re: delivery instructions relating to sum of \$100,000. U.S. dollars in Anglo-Overseas 5% convertible notes.

3875. Photostatic copy of judgment of the Court of Appeal for Ontario pronounced 1 February, 1967, re: case stated by the Commissioner.

3877. Schedule prepared by Mr. Wolfman entitled "C. Powell Morgan, Estimated Net Worth".

3878. Certified true copies of documents comprised of correspondence, internal memoranda and other like documents relating to Mr. C. P. Morgan found in possession of Toronto-Dominion Bank at the main branch in Toronto.

- 3878.1 Certified true copy of unsigned statement of affairs, obtained from Toronto-Dominion Bank, dated March 24, 1960 listing assets of C. Powell Morgan.

- 3878.2 Certified true copy of pencilled note, obtained from Toronto-Dominion Bank, dated March 24, 1961, said to be in the handwriting of Mr. Morgan, commencing with the words "Real Estate".

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3878.3	Certified true copy of statement of affairs, obtained from Toronto-Dominion Bank, dated September 6, 1961, signed by C. Powell Morgan, showing his net worth as \$443,865.		Mildred Morgan at British Mortgage & Trust Company, 2200 Yonge Street for period March 1964 to October 1966.
3878.4	Certified true copy of document, obtained from Toronto-Dominion Bank, entitled "Application for Credit" in name of C. Powell Morgan, dated February 20, 1961.	3890.	Certified true copy of bank ledger cards obtained from Canadian Imperial Bank of Commerce, for Account of C. Powell Morgan at the Canadian Imperial Bank of Commerce, 25 King Street West for period September 1963 to December 1965.
3883.	Schedule prepared by Mr. Wolfman entitled "Atlantic Acceptance Corporation Limited, Remuneration Paid to C. Powell Morgan".	3891.	Schedule, prepared by Mr. Wolfman entitled "Analysis of Morgan Trust Account, Royal Bank of Canada, Freeport" based on C. P. Morgan's analyses and cancelled bank vouchers.
3878.5	Certified true copy of carbon copy of letter, obtained from Toronto-Dominion Bank, dated March 16, 1960, from W. R. Collier, Manager, Toronto-Dominion Bank, 25 Adelaide St. W. to the Cashier, the Manufacturers and Traders Trust Company, Buffalo, N.Y., together with attached handwritten note dated March 16, 1960, signed "Powell", addressed to "Ross" re: certification of cheque from Nevil Plastics Inc. to C. P. Morgan, dated March 12, 1960 in amount of \$2,000.	3892.	Memorandum entitled "Atlas Bank Limited, Incorporated on 2nd November, 1963", setting out results of an inquiry by Touche, Ross, Bailey & Smart into the public records of the Bahamas relating to the Atlas Bank Limited.
3878.6	Certified true copy of original letter, obtained from Toronto-Dominion Bank, dated March 16, 1960, from W. R. Collier, Manager, Toronto-Dominion Bank, to the Cashier, the Manufacturers and Traders Trust Company with handwritten notation "Delivered cert. ch. Mch 21/60".	3893.	Photostatic copy of letter dated July 30, 1965 from Montreal Trust Company to Toronto-Dominion Bank, International Division, photostatic copy of debit slip of Toronto-Dominion Bank Oakville, dated August 3, 1965 charging Account of Atlantic Acceptance Corporation Limited with sum of \$307,138, photostatic copy of letter from E. D. Sassoon Banking Co. Ltd., to Montreal Trust Company dated August 4, 1965, photostatic copy of letter from Montreal Trust Company to Atlantic Acceptance Corporation Limited, dated August 10, 1965, all relating to purchase by Montreal Trust Company of 1,250,000 shares of Lucayan Beach Hotel and Development Limited held by E. D. Sassoon Banking Co. as collateral against loan of \$250,000 to C. P. Morgan.
3886.	Schedule prepared by Mr. Wolfman entitled "C. Powell Morgan, Source and Disposition of Known Major Cash Gains Related to Atlantic Acceptance Corporation".	3894.	Schedule prepared by Mr. Wolfman entitled "C. Powell Morgan—Bank of Nova Scotia Cheques made payable to F. Kulunderino".
3887.	Statement prepared by Mr. Wolfman of Mr. Morgan's net worth at 11 June, 1965, together with ten supporting schedules of individual assets and liabilities.	3841.1	Certified cheque dated June 26, 1964 in amount of \$45,000 payable to F. Kulunderino from Daylite of Grand Bahama Company Limited signed by E. Last and H. Wagman, deposited to credit of Galco Trust Reg.
3888.	Certified true copy of bank ledger cards obtained from Bank of Nova Scotia for account of C. Powell Morgan at the Bank of Nova Scotia, 44 King Street West for period May 1959 to February 1966.		
3889.	Certified true copy of bank ledger cards obtained from Victoria and Grey Trust Company for joint account of C. Powell Morgan and		



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- 3841.2 Certified cheque, dated October 14, 1964 in amount of \$35,000 payable to F. Kulunderino from Daylite Grand Bahama Company Limited signed by E. Last and H. Wagman, deposited to credit of A. Gillieron & Banque Jordaan S.A.
- 3841.3 Certified cheque dated October 26, 1964 in amount of \$25,000 payable to F. Kulunderino from Daylite of Grand Bahama Company Limited signed by E. Last and H. Wagman, deposited to credit of L. G. Beaubien, J. L. Levesque Inc., Montreal, Canada.
- 3841.4 Certified cheque dated November 5, 1964 in amount of \$25,000 payable to F. Kulunderino from Daylite of Grand Bahama Company Limited signed by E. Last and H. Wagman, deposited to credit of W. C. Pitfield & Company Limited, Montreal.
- 3841.5 Certified cheque dated November 12, 1964 in amount of \$25,000 payable to F. Kulunderino from Daylite of Grand Bahama Company Limited signed by E. Last and H. Wagman, deposited to credit of Boucqueau Luyckx & Co., Brussels.
- 3841.6 Certified cheque dated November 19, 1964 in amount of \$25,000 payable to F. Kulunderino from Daylite of Grand Bahama Company Limited signed by E. Last and H. Wagman, deposited to credit of W. C. Pitfield & Company Limited, Montreal.
- 3841.7 Certified cheque dated November 27, 1964 in amount of \$25,000 payable to F. Kulunderino from Daylite of Grand Bahama Company Limited signed by E. Last and H. Wagman, deposited to credit of W. C. Pitfield & Company Limited, Montreal.
- 3841.8 Certified cheque dated December 8, 1964 in amount of \$25,000 payable to F. Kulunderino from Daylite of Grand Bahama Company Limited signed by E. Last and H. Wagman, deposited to credit of W. C. Pitfield & Company Limited, Montreal.
- 3841.9 Certified cheque dated January 8, 1965 in amount of \$10,000 payable to F. Kulunderino from Daylite of Grand Bahama Company Limited signed by E. Last and H. Wagman, deposited to credit of W. C. Pitfield & Company Limited, Montreal.

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- 3841.10 Certified cheque dated January 15, 1965 in amount of \$25,000 payable to F. Kulunderino from Daylite of Grand Bahama Company Limited signed by E. Last and H. Wagman, deposited to credit of W. C. Pitfield & Company Limited, Montreal.
- 3841.11 Certified cheque dated January 22, 1965 in amount of \$25,000 payable to F. Kulunderino from Daylite of Grand Bahama Company Limited signed by E. Last and H. Wagman, deposited to credit of W. C. Pitfield & Company Limited, Montreal.
- 3841.12 Certified cheque dated January 29, 1965 in amount of \$27,500 payable to F. Kulunderino from Daylite of Grand Bahama Company Limited signed by E. Last and H. Wagman, deposited to credit of W. C. Pitfield & Company Limited, Montreal.
- 3841.13 Certified cheque dated February 5, 1965 in amount of \$12,500 payable to F. Kulunderino from Daylite of Grand Bahama Company Limited signed by E. Last and H. Wagman, deposited to credit of W. C. Pitfield & Company Limited, Montreal.
- 3841.14 Certified cheque dated February 12, 1965 in amount of \$42,400 payable to F. Kulunderino from Daylite of Grand Bahama Company Limited signed by E. Last and H. Wagman, deposited to credit of W. C. Pitfield & Company Limited, Montreal.
3909. Copy of extract from supplement to 1965 annual report of Industrial Acceptance Corporation Limited.
3910. Schedule prepared by Mr. Moreton entitled "Atlantic Finance Corporation Limited, 'Rebate Test' Applied to Unearned Interest".
3911. Schedule prepared by Mr. Moreton entitled "Atlantic Finance Corporation Limited — Effects on Unearned Interest and Profits of Taking-Up Different Proportions of Pre-Computed Interest in the Month of Acquisition".
3912. Schedule prepared by Mr. Moreton entitled "Atlantic Acceptance Corporation Limited — Effect on Unearned Interest and Profits of Taking-Up Different Proportions of Pre-Computed Interest in the Month of Acquisition".

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3913.	Printed form entitled "Sales Finance Company Questionnaire".		with a copy of a memorandum of calculations of certain expenses, all three documents being made in connection with expenses paid to Eugene Last by Lasco Products Limited.
3914.	Printed form entitled, "Commercial Financing Questionnaire" otherwise known as the "Yellow Sheet".		
3915.	Photostatic copy of an excerpt from the operating manual of Atlantic Acceptance Corporation Limited.	2936.1	Copy of first floating charge debenture no. 00001 DC of Dalite Corporation (Canada) Limited to Commodore Sales Acceptance Limited in the amount of \$369,000 dated 1 March, 1962, from file of Roberts, Archibald, Seagram & Cole.
2940.2	Handwritten letter, from file of Roberts, Archibald, Seagram & Cole, dated September 21, 1962 from W. R. Miller to Eugene Last, President, Dalite Corporation (Canada) Limited submitting Mr. Miller's resignation as officer and employee of Dalite Corporation (Canada) Limited.	3923.	Letter from file of the Clarkson Company Limited, dated July 21, 1965 from H. H. Robertson Company Limited to Messrs. Clarkson, Gordon & Company and carbon copy of letter of reply dated August 3, 1965 from Clarkson, Gordon & Company to H. H. Robertson Company Limited re: Bankruptcy of Dalite Corporation (Canada) Limited.
2940.3	Handwritten letter, from file of Roberts, Archibald, Seagram & Cole, dated September 21, 1962 from W. R. Miller to the board of directors of Dalite Corporation (Canada) Limited submitting Mr. Miller's resignation as officer and employee of Dalite Corporation (Canada) Limited.	3924.	Original appointment of the Clarkson Company Limited as Receiver and Manager of Dalite Corporation (Canada) Limited dated 10 August, 1965.
3918.	Brown pay envelope of the Toronto-Dominion Bank with pencilled inscriptions on reverse side with figures "Total \$4,000" identified as being in handwriting of Mr. R. Ashley, employee of Dalite Corporation (Canada) Limited.	2936.2	Newspaper clipping from the Toronto Globe & Mail of Friday, August 20, 1965 advertising the auction of the assets of Dalite Corporation (Canada) Limited to be held on August 26, 1965, from file of Roberts, Archibald, Seagram & Cole.
3919.	Photostatic copy of front and reverse side of cheque no. 12254 of Samsonite of Canada Limited dated August 5, 1965 payable to Dalite Corporation (Canada) Limited in amount of \$415.80 and endorsed over to Rehau Plastics.	2936.3	Notice from the Clarkson Company Limited as trustee to creditors of Dalite Corporation (Canada) Limited, of first meeting of creditors to be held on 15 September 1965 with attached list of creditors, from file of Roberts, Archibald, Seagram & Cole.
3920.	Photostatic copy of letter dated August 17, 1965, addressed to Lasco Products Limited, 1017 Seneca Avenue, Port Credit, Ontario signed "E. Last, President, San Jose Construction Company Limited", re: loan of \$6,000 to Lasco Products from San Jose Construction, together with photostatic copy of credit slip from the Toronto-Dominion Bank for account no. 4393, dated August 17, 1965.	3927.	Letter from file of the Clarkson Company Limited dated 7 September, 1965 from the Postmaster at Toronto, to the Clarkson Company Limited re: the bankruptcy of Dalite Corporation (Canada) Limited and redirection of mail, addressed to bankrupt company, to the Clarkson Company Limited.
3921.	Photostatic copy of statement of Lasco Products Limited dated February 1, 1966 totalling \$5,244.90, together with a photostatic copy of an adding machine tape, together	3928.	Schedule prepared by Mr. McLoughlin entitled "Dalite Corporation (Canada) Limited, General Account, Bank of Montreal Account Number 1000-034, June 30, 1965 to August 5, 1965".

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3929. Photostatic copies of two ledger cards from the Bank of Montreal for the period from June 30, 1965 to August 5, 1965 for account no. 1000-034 in name of Dalite Corporation (Canada) Limited.
3930. Schedule prepared by Mr. McLoughlin entitled "Dalite Corporation (Canada) Limited Salary Account and Wages Account, The Toronto-Dominion Bank".
3931. Ledger cards, received from the Toronto-Dominion Bank, for salary account of Dalite Corporation (Canada) Limited at Toronto-Dominion Bank, Brown's Line for period June 30, 1965 to August 13, 1965.
3932. Six ledger cards, received from Wages Account of Dalite Corporation (Canada) Limited at Toronto-Dominion Bank, Brown's Line for period June 30, 1965 to September 14, 1965.
3933. Credit memorandum of Toronto-Dominion Bank dated August 6, 1965 showing deposit in amount of \$3024.42 to wage account of Dalite Corporation (Canada) Limited.
3934. Credit memorandum of Toronto-Dominion Bank dated August 9, 1965 showing deposit of \$3052.69 to wage account of Dalite Corporation (Canada) Limited.
3935. Schedule prepared by Mr. McLoughlin entitled "Dalite Corporation (Canada) Limited, Payments by Mamann Brothers re: Purchases from Dalite Corporation (Canada) Limited, July 1965 and August 1965".
3936. Memorandum book of account of Mamann Brothers, received from Jack Mamann.
3937. Copy of purchase order received from Rathbone Lumber, dated July 16, 1965, George Rathbone Lumber Company Limited to Dalite Corporation (Canada) Limited covering purchase of ten table tops.
3938. Copy of bill of lading received from Rathbone Lumber, dated August 3, 1965 re: delivery of merchandise from Dalite Corporation (Canada) Limited to George Rathbone Lumber Company.
3939. Photostatic copy of invoice no. 14728, received from Rathbone

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- Lumber, dated August 11, 1965, Lasco Products Limited to George Rathbone Lumber Company Limited in amount of \$104.72.
3940. Photostatic copy of cheque voucher no. 2521 received from Rathbone Lumber dated September 28, 1965, George Rathbone Lumber Company Limited to Lasco Products Limited in amount of \$104.72.
3941. Books of account of Panfab Corporation Limited covering the period August, 1965 to December 31, 1966.
3942. Bundle of bills of lading of Lasco Products Limited for the month of August, 1965 received from Panfab Corporation Limited.
3943. Photostatic copy of purchase order no. 43859 received from W. S. Tyler & Co., dated June 3, 1965, The W. S. Tyler Company of Canada Limited to Dalite Corporation covering two sets of formica faced wainscots.
3944. Copy of carrier's bill no. T462-450, received from W. S. Tyler & Co., dated August 3, 1965 from McAnally Freight-Ways addressed to W. S. Tyler and Company of Canada Limited, Shipper Dalite Corporation, covering 2 sets wainscots.
3945. Photostatic copy of invoice no. 14734, received from W. S. Tyler & Co., dated August 11, 1965, Lasco Products Limited to W. S. Tyler Company of Canada Limited in amount of \$614.20.
3946. Photostatic copy of cheque no. 41667, dated September 15, 1965 from the W. S. Tyler Company of Canada Limited payable to Lasco Products Limited in amount of \$601.92.
3947. Photostatic copies of invoices from Aluminum Company of Canada Limited to Dalite Corporation (Canada) Limited covering sales of aluminum for the period April 24, 1962 to November 11, 1964 received from Aluminum Company of Canada.
3948. Photostatic copies of invoices from Durofoam Installation Limited to Dalite Corporation (Canada) Limited covering sales of styrofoam for the period December 31, 1963 to March 31, 1964.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
3949.	Receipt from Dalite Corporation (Canada) Limited, signed by V. Last, to Continental Jobbers for sum of \$4000.	3959.	Five invoices, received from Pyle-National (Canada) Limited, on the letterhead of Arthur B. Drohan, 12 Deerfield Place Scarborough, Ontario, addressed to Pyle-National (Canada) Limited for the period June 2, 1964 to November 27, 1964.
3950.	Invoice no. 6093 dated July 28, 1965 Continental Jobbers to Canadian Refrigeration Limited in amount of \$5,849.70 for 22,940 lbs. of aluminum.	3960.	Cheque of Pyle-National (Canada) Limited no. 5927, dated May 4, 1964 payable to A. B. Drohan in amount of \$186.65.
3951.	Photostatic copy of invoice no. 7002, dated August 18, 1965 Continental Jobbers to Pyramid Mobile Homes, in amount of \$21,450 for 65,000 lbs. of aluminum.	3961.	Certified copy, received from Canadian Imperial Bank of Commerce, of credit voucher dated May 5, 1964 crediting account of Messrs. Samuel Hogg and Arthur B. Drohan in amount of \$186.65 re: cheque from Pyle-National (Canada) Limited.
2940.4	Share of certificate no. 1, from file of Roberts, Archibald, Seagram & Cole, for one common share of Dalite Company of Delaware Limited in name of Victor Last dated June 19, 1962.	3962.	Cheque of Pyle-National (Canada) Limited no. 6966, dated August 11, 1964 payable to Art Drohan in amount of \$504.
2940.5	Share certificate no. 2, from file of Roberts, Archibald, Seagram & Cole, for one common share of Dalite Company of Delaware Limited in name of Eugene Last, dated June 19, 1962.	2963.	Certified copy, received from Royal Bank of Canada, of deposit slip dated August 14, 1964 to Account no. 3095 in name of A. B. Drohan showing deposit of a cheque in amount of \$504, a receipt of \$104 in cash, leaving net deposit of \$400.
2940.6	Share certificate no. 5, from file of Roberts, Archibald, Seagram & Cole, for 237,498 common shares of Dalite Company of Delaware Limited in name of Eugene Last, dated July 4, 1962.	3964.	Cheque of Pyle-National (Canada) Limited no. 7408 dated September 11, 1964 payable to A. B. Drohan in amount of \$500.
2940.7	Share certificate no. PB-1, from file of Roberts, Archibald, Seagram & Cole, for 24,280 class B preference shares of Dalite Company of Delaware Limited in name of Eugene Last, dated July 4, 1962.	3965.	Certified copy, received from Royal Bank of Canada, of deposit slip dated September 14, 1964 to Account no. 3095 in name of Arthur B. Drohan showing deposit of a cheque in amount of \$500.
3956.	Photostatic copy of cheque dated December 2, 1964 in amount of \$250 payable to V. Last, signed by S. J. Hogg drawn on the Canadian Imperial Bank of Commerce, Lakeshore and Seventh, New Toronto re: shipping plywood to Welsh Lumber.	3966.	Cheque of Pyle-National (Canada) Limited no. 7874 dated October 23, 1964 payable to A. B. Drohan in amount of \$142.
3957.	Photostatic copy of cheque dated April 28, 1965, in the amount of \$700 payable to Alex Meikleham, signed Arthur B. Drohan, drawn on the Royal Bank of Canada, Eglinton & Sinnott.	3967.	Cheque of Pyle-National (Canada) Limited no. 7875 dated October 23, 1964 payable to A. B. Drohan in amount of \$400.
3958.	Two-page schedule prepared by Mr. Walker entitled "Payments by Pyle-National (Canada) Limited" covering the period May 4, 1964 to November 27, 1964.	3968.	Cheque of Pyle-National (Canada) Limited no. 8414 dated November 27, 1964 payable to Northern Electric Company Limited in amount of \$6848.30.
		3969.	Cheque of Pyle-National (Canada) Limited no. 8412 dated November 27, 1964 payable to A. B. Drohan in amount of \$10,488.

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3970. Certified copy, received from Royal Bank of Canada, of deposit slip, dated November 27, 1964 to account no. 3095 in name of A. B. Drohan showing deposit of two cheques in amounts of \$10,488 and \$1,584.25.
3971. Cheque of Pyle-National (Canada) Limited no. 8413 dated November 27, 1964 payable to A. B. Drohan in amount of \$1584.25.
3972. Certified copies, received from Royal Bank of Canada, of fourteen ledger cards for account no. 3095, A. B. Drohan, Royal Bank of Canada, Eglinton & Sinnott branch covering period November 22, 1961 to September 20, 1966.
3973. Certified copy, received from Royal Bank of Canada, of cheque dated November 27, 1964 payable to Mr. A. J. Sherrard in amount of \$500 signed by Arthur B. Drohan.
3974. Certified copy, received from Royal Bank of Canada, of cheque dated November 27, 1964 payable to Mr. S. J. Hogg in amount of \$2500 signed by Arthur B. Drohan.
3975. Certified copies, received from Canadian Imperial Bank of Commerce, of nineteen ledger cards for account no. 00064-32, Samuel J. Hogg, Canadian Imperial Bank of Commerce, 2935 Lakeshore Blvd. West, New Toronto covering period May 7, 1963 to August 8, 1966.
3976. Certified copies, received from Canadian Imperial Bank of Commerce, of three credit memos for account no. 00064-32, S. J. Hogg, Canadian Imperial Bank of Commerce, 2935 Lakeshore Blvd. West, dated June 19, 1964, December 1, 1964 and January 8, 1965.
3977. Certified copies received from Canadian Imperial Bank of Commerce, of three cheques in amounts of \$250 dated December 23, 1963, \$250 dated July 20, 1964 and \$250 dated December 2, 1964 drawn on account no. 00064-32, S. J. Hogg, Canadian Imperial Bank of Commerce, 2935 Lakeshore Blvd. West.
3978. Certified copies, received from Canadian Imperial Bank of Commerce, of two ledger cards for joint account no. 01363-36 in

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- names of S. J. Hogg and A. B. Drohan, Canadian Imperial Bank of Commerce, New Toronto covering period April 24, 1964 to August 27, 1964.
3979. Certified copy, received from Canadian Imperial Bank of Commerce, dated May 22, 1964 payable to Mr. A. B. Drohan in amount of \$150 signed by A. B. Drohan and S. J. Hogg.
3980. Carbon copy of two-page letter dated June 11, 1964 addressed to Pyle-National (Canada) Limited, attention Mr. A. J. Sherrard, signed on behalf of Dalite Corporation (Canada) Limited, "S. J. Hogg" re: lack of co-ordination in delivery of electrical material for motel marina distribution system for Grand Bahama Island.
3981. Carbon copy of three-page letter dated June 25, 1964 addressed to Dalite Corporation (Canada) Limited, attention Mr. S. J. Hogg from Pyle - National (Canada) Limited, per A. J. Sherrard, Manager of Marketing, outlining changes in distribution system which resulted in delays of delivery of material referred to in Exhibit 3980.
3982. Photostatic copy of letter dated July 27, 1964 to Mr. A. G. Woolfrey, Commodore Sales Acceptance Limited with typewritten signature "Ian Y. Morrison" re payments made by Pyle-National (Canada) Limited to Northern Electric Company Limited on behalf of Cansameric Industries Limited.
3983. Letter dated August 12, 1964 from Credit Supervisor of Northern Electric Company Limited to Mr. Young, Pyle-National (Canada) Limited acknowledging receipt of cheque in amount of \$980 paid to Northern Electric on behalf of Cansameric Industries Limited.
3984. Letter dated July 30, 1964 from Dalite Corporation (Canada) Limited, signed by S. J. Hogg to Pyle-National (Canada) Limited re payments made by Pyle-National on behalf of Cansameric Industries Limited and commissions paid to Officers of Cansameric Industries.
3985. Certified copies, received from Canadian Imperial Bank of Commerce, of three cheques drawn on the Canadian Imperial Bank of Commerce, Lakeshore and 7th,

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
	New Toronto on the joint account of A. B. Drohan and S. J. Hogg, dated April 29, 1964 in amount of \$525 to A. B. Drohan; April 29, 1964, in amount of \$34 to S. J. Hogg; and May 4, 1964 in amount of \$400 to cash.		by E. Last, enclosing resignation of James E. Thomson as officer of Dalite International and listing new officers and directors.
3986.	Certified photostatic copies, received from Canadian Imperial Bank of Commerce, of two deposit slips for joint account of A. B. Drohan and S. J. Hogg at the Canadian Imperial Bank of Commerce, dated April 24, 1964 showing deposit of \$972 and April 29, 1964 showing deposit of \$62.20.	3992.	Copy of Western Union telegram headed "A RSA 149 ZFQ 423" undated, addressed to Jules Timmins, sent by Graham Co. confirming new agreement re: ownership of Aircraft Owners and Pilots Club.
2940.8	Licensing agreement, from file of Roberts, Archibald, Seagram & Cole, dated 12 June, 1964 between Dalite Corporation (Canada) Limited, signed by E. Last and Dalite Company of Delaware Limited, signed by S. J. Hogg which licensed Dalite of Delaware to handle all sales of prefabricated buildings outside of North America.	3993.	Letter dated June 15, 1965 on the letterhead of Dalite Corporation (Canada) Limited, addressed to board of directors of Dalite Corporation signed by S. J. Hogg submitting his resignation as both Officer and Director of Dalite Corporation (Canada) Limited.
2935.1	Original undated unexecuted draft agreement, from file of Roberts, Archibald, Seagram & Cole, headed "Draft, June 3, 1965" between Commodore Sales Acceptance Limited, Dalite Corporation (Canada) Limited and Eugene Last, photostatic copy of which was entered as Exhibit No. 3205.	3994.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Panfab Corporation Limited, formerly Lasco Products Limited.
3989.	Photostatic copy of agreement in letter form dated March 8, 1965 between Messrs. James E. Thomson and S. J. Hogg, trustees for Daylite (International) Limited and J. T. M. Mills, Solicitor re: contract Congress Inn Limited re contract for construction of 120 room hotel at Windsor Field in Nassau.	3995.	Copy of invoice no. 16008 of Panfab Corporation Limited to Welsh Lumber Company dated March 28, 1966 with attached bill of lading re: complete blueprint machine on loan and charge of \$75.19 for paper.
3990.	Photostatic copy of three-page letter of commitment dated May 26, 1965 addressed to Nassau Congress Inn Limited being committal to S. J. Hogg and James E. Thomson, trustees for Dalite International Limited to proceed with construction of Nassau Congress Inn, acknowledged and signed by Nassau Congress Inn Limited and Dalite International Limited.	3996.	Certified copies, received from Canadian Imperial Bank of Commerce, of three cheques dated January 8, 15 and 29, 1965 drawn on Account of S. J. Hogg at the Canadian Imperial Bank of Commerce, in favour of Mr. James Thomson \$3,000, Mrs. A. Hogg \$2,000 and cash \$270.
3991.	Photostatic copy of letter dated July 8, 1965 to Peter D. Graham on re: Dalite (International) Limited—Nassau from E. Last, President, Dalite International Limited, prepared by S. J. Hogg and signed	3997.	Certified copies from Canadian Imperial Bank of Commerce of three credit memos for account of S. J. Hogg, Canadian Imperial Bank of Commerce dated August 15, 1963 in amount of \$700, September 3, 1963 in amount of \$900, April 24, 1964 in amount of \$1,250.
		3998.	Two volumes consisting of 1,311 pages of transcript of evidence taken at the preliminary hearing of charges against E. Y. Rabbiah and K. G. Lennie.
		3999.	Photograph of the Racan Photo-Copy Corporation premises on Merton St., Toronto found in a suitcase which had been removed by K. G. Lennie to his home from office of E. Y. Rabbiah 62 Richmond St. West, on closing of office in 1965.



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4000. Photostatic copy of an original letter, found in suitcase from office of E. Y. Rabbiah, being a statement of account dated June 26, 1962, for Racan Photo-Copy promissory notes from O'Neill Finance Company Limited, signed by E. Ferguson.
4001. Photostatic copy of original letter, found in suitcase from office of E. Y. Rabbiah, being a statement of account, dated June 26, 1962, for Racan Photo-Copy promissory notes from Premier Finance Corporation Limited, signed by E. Ferguson.
4002. Photostatic copies of nine documents, relating to banks in Switzerland found in suitcase from office of E. Y. Rabbiah.
4003. Bundle of cancelled cheques, debit and credit memos, for bank accounts of E. Y. Rabbiah at Royal Bank of Canada, Toronto-Dominion Bank, Canadian Imperial Bank of Commerce and First National Bank, New York City, found in suitcase from office of E. Y. Rabbiah.
- 4003.1 Photostatic copies of cancelled cheques drawn on account of Racan Photo-Copy Corporation Limited at Royal Bank of Canada, St. Clair and Alvin branch, and photostatic copies of cheques drawn on account of Racan Office Supplies Limited at Toronto-Dominion Bank, Mount Pleasant Road and Davisville Avenue branch—originals found in suitcase from office of E. Y. Rabbiah.
4005. General journal of Racan Photo-Copy Corporation Limited covering period April 1, 1960 to February 29, 1964 found in carton of documents removed by K. G. Lennie to his home from office of E. Y. Rabbiah on closing of office in 1965.
4006. Photostatic copies of two sheets, found in carton of documents from office of E. Y. Rabbiah, from accounts payable ledger of Racan Photo-Copy Corporation Limited headed "Speed-O-Print (Canada) Limited".
4007. Photostatic copies of six original invoices, found in carton of documents from office of E. Y. Rabbiah, from Speed-O-Print Business Ma-

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- chines (Canada) Limited to Racan Photo-Copy Corporation Limited for period September 14, 1964 to February 5, 1965 totalling \$171,635.
4008. Blue document in Arabic language, no. 11290, issued in Baghdad on May 13, 1939 which states that Elias was born in Baghdad in 1923, son of Shlomo and Rosa, this document found in suitcase from office of E. Y. Rabbiah.
4009. Pink booklet in Persian language known as an Iranian identity card, no. 3198 purportedly issued by Iranian Consulate in Beirut, Lebanon in 1954 bearing photograph of E. Y. Rabbiah, this booklet found in suitcase from office of E. Y. Rabbiah.
4010. Photostatic copy of letter to Mr. McGuire from Iranian Embassy in Ottawa dated August 11, 1966 re: Elias Rabbiah's Iranian identity card, Exhibit No. 4009.
4011. Lebanese passport no. 8/56, found in suitcase from office of E. Y. Rabbiah, issued at Johannesburg, South Africa, on May 6, 1956 in name of Yassin Rabbiaah, born in Baghdad in 1923, son of Souleman and Rosa, with endorsement on page 4 to effect that a new passport no 574 was issued on December 26, 1958.
4012. Lebanese passport no. 574, found in suitcase from office of E. Y. Rabbiah, issued at Ottawa, December 26, 1958 in name of Yassin Rabbiaah, renewed annually, endorsement on last page dated January 16, 1964.
4013. Photostatic copy of letter dated August 16, 1966 from Chargé d'Affaires, Lebanese Embassy, Ottawa to Mr. McGuire stating that Elias Salman Rabiha is not of Lebanese nationality, therefore his Lebanese passport must have been obtained by fraudulent means.
4014. Photostatic copy of letter, obtained by Mr. McGuire from Royal Canadian Mounted Police, dated July 5, 1966 from The Minister of the Interior of Italy to Commissioner of Police, Royal Canadian Mounted Police, Ottawa enclosing photograph and fingerprint card of Elie Rabiea alias Yassin Rabbia and annexed copy of letter dated May 30, 1962 to Royal Canadian

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
	Mounted Police, Ottawa from Israeli Government stating that Eli Rabiea was issued an Israeli passport no. 26279 in Milan, Italy on July 12, 1954.	4022.	Schedule prepared by Mr. Orr of directors of Racan Photo-Copy Corporation Limited from inception, May 6, 1960 to March 17, 1964, taken from corporate records of company filed in office of Provincial Secretary.
4015.	Letter, found in suitcase from office of E. Y. Rabbiah, dated December 3, 1965 to Mr. Yassin Rabbiah from the Department of Citizenship and Immigration, Ottawa, advising him that his application for Canadian citizenship has been rejected.	4023.	Photostatic copy of annual accounts of Racan Photo-Copy Corporation Limited, obtained from Price, Waterhouse & Co., at June 30, 1962, which include a balance sheet, earnings statement for 9 months ended June 30, 1962, notes to the financial statements, and opinion of auditors to the shareholders dated October 12, 1962.
4016.	Photostatic copies of 19 cheques obtained by the Ontario Securities Commission from the Royal Bank of Canada, St. Clair and Alvin branch, Toronto drawn on the Racan Photo-Copy Corporation Limited Account payable to S.O.P. Business Machines.	4024.	Working papers of Price, Waterhouse & Co., Chartered Accountants, re: Racan Photo-Copy Corporation Limited, obtained from Price, Waterhouse & Co.
4017.	Statement, in the handwriting of Mr. McGuire, signed by D. M. Ortiz and witnessed by Mr. McGuire, dated May 24, 1966, Mexico, re: endorsements on cheques from Racan Photo-Copy Corporation to S.O.P. Business Machines.	4025.	Report of Racan Photo-Copy Corporation Limited for period March 15, 1960 to September 30, 1960 which includes an interim balance sheet, interim statement of profit and loss and an auditor's report dated October 18, 1960 signed by Wm. Eisenberg & Co. Chartered Accountants.
4018.	Typewritten document in Spanish language being translation of handwritten statement in English, Exhibit No. 4017 made by Department of Provincial Secretary and Citizenship with affidavit dated July 8, 1966 signed "D. M. Ortiz" before a notary public with annexed photograph of E. Y. Rabbiah, initialled by Mr. Ortiz, and photostatic copy of Mr. Ortiz' statement, typewritten in English.	4026.	Typewritten balance sheet and statement of profit and loss of Racan Photo-Copy Corporation Limited at December 31, 1963 from files of E. M. Sprackman, Siderson & Co.
4019.	Schedule prepared by Mr. Orr, setting out history of loans of Racan Photo-Copy Corporation Limited with Premier Finance Limited, taken from records of Premier Finance Corporation.	4027.	Photostatic copy of document headed "Schedule B—Racan Photo-Copy Corporation Limited, Annual Report 1964" which includes a consolidated balance sheet as at June 30, 1964, consolidated profit and loss and retained earnings statement for year ended June 30, 1964, notes to the financial statements and auditors' report to shareholders signed by Grammer, Birnbaum & Co., dated December 17, 1964.
4020.	Photostatic copy of certified cheque of Premier Finance Corporation Limited drawn on the Toronto-Dominion Bank, King & Yonge Street branch, payable to Racan Photo-Copy Corporation Limited in the amount of \$152,-886.40 dated December 6, 1961.	4024.1	Form, from working papers of Price, Waterhouse & Co., headed "June 26, 1962, Statement of Account for Racan Photo-Copy" and signed O'Neill Finance Company Limited per E. Ferguson, recording amounts paid on interest and principal, and balance at periods from September 15, 1961 through June 30, 1962.
4021.	Schedule prepared by Mr. Orr, of loans from Trans Commercial Acceptance Limited and Commodore Sales Acceptance Limited to Racan Photo-Copy Corporation Limited, taken from records of Trans Commercial Acceptance and Commodore Sales Acceptance.		

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4029. Photostatic copies of accounts receivable cards and loan cards of O'Neill Finance Company Limited for Racan Photo-Copy Corporation Limited, obtained from Ontario Securities Commission.
4030. Photostatic copy of certified cheque no. 464, obtained from Ontario Securities Commission, of O'Neill Finance Company Limited drawn on Toronto-Dominion Bank, King & Yonge Sts. branch, dated April 17, 1962 payable to Racan Photo-Copy Corporation Limited in amount of \$190,000.
4031. Photostatic copy of cheque no. 497, obtained from the Ontario Securities Commission, of O'Neill Finance Company Limited drawn on Toronto-Dominion Bank, King & Yonge Sts. branch, dated May 18, 1962, payable to Racan Photo-Copy Corporation Limited in amount of \$150,000.
4032. Photostatic copy of cheque no. 528, obtained from Ontario Securities Commission, of O'Neill Finance Company Limited drawn on Toronto-Dominion Bank, King & Yonge Sts. branch, dated June 15, 1962, payable to Racan Photo-Copy Corporation Limited in amount of \$75,500.
4033. Photostatic copy of promissory note dated June 15, 1962 in amount of \$75,000 from Racan Photo-Copy Corporation Limited to O'Neill Finance Company Limited.
4034. Photostatic copies of 18 ledger cards, obtained from the Canadian, Imperial Bank of Commerce, Yonge & St. Clair branch, for the account of Racan Photo-Copy Corporation Limited covering the period August 2, 1960 to August 16, 1962.
4035. Photostatic copies of 24 ledger cards, obtained from Ontario Securities Commission, of the Canadian Imperial Bank of Commerce for the Account of Yassin Rabbiah, the first card being marked "Property Account", covering the period November 27, 1959 to August 31, 1964.
- 4024.2 Photostatic copy of statement of account, from working papers of Price, Waterhouse & Co., for Racan Photo-Copy Corporation Limited

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*Description*

- on the letterhead of Premier Finance Corporation Limited, dated June 29, 1962 being a record of eight interest payments from March 27, 1962 to June 30, 1962 totalling \$18,557.68.
- 4024.3 Photostatic copy of letter, from working papers of Price, Waterhouse & Co., on the letterhead of Premier Finance Corporation Limited dated June 29, 1962 headed in handwriting "Paper Purchases" stating that several thousand boxes of paper were sold to Racan Photo-Copy Corporation Limited between March 20 to June 30, 1962 and payments totalling \$279,215.40 were received on account.
- 4024.4 Photostatic copy of letter, from working papers of Price, Waterhouse & Co., on the letterhead of Premier Finance Corporation Limited to the attention of Mr. E. Rabbiah dated June 29, 1962 stating that Premier Finance is holding the balance of the paper shipment, 7,518 boxes in amount of \$50,124.
4039. Photostatic copies of set of cards, obtained from Ontario Securities Commission, entitled "Racan Photo-Copy Corporation Limited, Premier Account".
4040. Photostatic copy of four promissory notes, obtained from records of Premier Finance in hands of solicitor for trustee, from Racan Photo-Copy Corporation Limited, signed E. Y. Rabbiah, all paid to the order of Premier Finance Corporation in amounts of \$150,000 \$45,000, \$75,000, and \$19,000 dated June 6, 1962, June 15, 1962, June 27, 1962 and June 25, 1962 respectively.
4041. Photostatic copies of four certified cheques of Premier Finance Corporation Limited to Racan Photo-Copy Corporation Limited in amounts of \$50,000, \$75,000, \$160,960 and \$93,380 dated January 11, 1962, February 5, 1962, February 9, 1962 and March 1, 1962 respectively.
- 4024.5 Photostatic copy of bank confirmation form, from working papers of Price, Waterhouse & Co., of the Canadian Bank of Commerce, Yonge & St. Clair branch, marked "Duplicate" indicating a nil balance at December 31, 1961 in Account of Racan Photo-Copy Corporation Limited.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4043.	Photostatic copy of bank confirmation form, obtained from Ontario Securities Commission, of Canadian Bank of Commerce, Yonge & St. Clair branch, marked "Original" indicating a balance of \$10,230.20 at December 31, 1961 in account of Racan Photo-Copy Corporation Limited.		Commerce, Yonge & St. Clair branch, for account no. 77-00016 in name of E. Y. Rabbiah relating to deposit of 19 cheques entered as Exhibit No. 4016.
4024.6	Photostatic copy of letter of representation, from working papers of Price, Waterhouse & Co., from Racan Photo-Copy Corporation Limited dated July 25, 1962 addressed to Price, Waterhouse & Co., signed "Racan Photo-Copy Corporation Limited, E. Y. Rabbiah, President" re: Racan Photo-Copy Corporation financial statements, June 30, 1962.	4050.	Photostatic copies, obtained from Ontario Securities Commission, of Canadian Imperial Bank of Commerce ledger cards, Yonge & St. Clair Branch for account of Yassin Rabbiah covering the period August 31, 1964 to May 31, 1965.
4045.	Photostatic copies of carbon copies of (a) letter dated June 30, 1963 from O'Neill Finance Company Ltd. to Racan Photo-Copy Corp. Ltd. confirming that Mr. E. Y. Rabbiah has paid \$7,825.47 to O'Neill on behalf of Racan, (b) letter dated June 30, 1963 from O'Neill Finance Company Ltd. to Racan Photo-Copying Corp. Ltd. acknowledging receipt by O'Neill of \$125,000 from Mr. E. Y. Rabbiah on behalf of Racan, (c) letter dated June 30, 1963 from Premier Finance Corporation Ltd. to Racan Photo-Copy Corp. Ltd. confirming that Mr. E. Y. Rabbiah has paid \$50,124 plus \$7,500 in interest to Premier on behalf of Racan; from files of E. M. Sprackman.	4051.	Photostatic copies, obtained from Ontario Securities Commission, of eleven Royal Bank of Canada ledger cards for account of Racan Photo-Copy Corporation Limited covering the period October 1964 to June 1965.
4046.	Photostatic copies of two accounts in general ledger of Racan Photo-Copy Corporation Limited account no. 240 (research and development) November, 1963, through June, 1964; account no. 900 (suspense) December 31, 1962 to June 30, 1963.	4052.	Photostatic copies of three sheets of working papers obtained from Ontario Securities Commission, prepared by Mr. Grammer, auditor of the company, headed "Racan Photo-Copy Corporation Limited, Research and Development", the final page covering expenditures on research from 1961 to June 30, 1963.
4047.	Photostatic copies of disbursements ledger sheets of Racan Photo-Copy Corporation Limited dealing with copy distributors, January, 1965 to June, 1965.	4053.	Photostatic copies of four sheets of working papers, from files of E. M. Sprackman, Siderson & Co., relating to Racan Photo-Copy Corporation Limited research and development, prepared by Mr. Sprackman, auditor of Premier Finance Corporation Limited and director of Racan Photo-Copy Corporation Limited.
4048.	Photostatic copies of four uncashed cheques of Racan Photo-Copy Corporation Limited nos. 1189-1192 inclusive, all dated April 26, 1965 totalling \$53,000 payable to S.O.P. Business Machines.	4054.	Photostatic copy of English translation from files of E. M. Sprackman, Siderson & Co., of agreement of license in German dated 4 January, 1962, between Karl Heinz Haenisch and Elias Yassin Rabbiah by which Haenisch grants Rabbiah the right to manufacture and sell the photo-reproduction process invented by Haenisch in return for payments of \$10,000 a year if invention is developed plus 5% of factory cost of each machine made.
4049.	Photostatic copies of 7 deposit slips of Canadian Imperial Bank of	4055.	Photostatic copy of agreement from files of E. M. Sprackman, Siderson & Co., dated 26 June, 1963 between E. Y. Rabbiah and Racan Photo-Copy Corporation Limited by which Rabbiah assigns to Racan Photo-Copy all his interest in contract with Haenisch — Exhibit No. 4054.

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*Description*

4056. Affidavit in German language with annexed English translation, of Carl-Heinz Haenisch taken before a notary, dated 2 November, 1965, stating that he had received no payments on contract with Rabbiah either from Rabbiah or Racan Photo-Copy Corporation Limited—obtained from Mr. Cochrane of Toronto Daily Star who was present when affidavit was obtained in Germany.
- 4003.2 Photostatic copy of cheque, found in suitcase from office of E. Y. Rabbiah, dated 15 April, 1965, signed by E. Y. Rabbiah made payable to the Canadian Imperial Bank of Commerce in amount of \$5400 with endorsement on reverse "Re: Purchase of draft in favour of Mutual Bank & Trust Co. \$5000 U.S. funds".
- 4003.3 Photostatic copies of five cheques, found in suitcase from office of E. Y. Rabbiah, all payable to Bache & Company signed by E. Y. Rabbiah, one dated April 2, 1965, two dated April 6, 1965, one dated April 7, 1965 all in amount of \$5,000 and one dated April 8, 1965 in amount of \$6,000.
- 4003.4 Photostatic copy of cheque, found in suitcase from office of E. Y. Rabbiah, dated April 5, 1965 payable to E. Y. Rabbiah signed by E. Y. Rabbiah in amount of \$20,000.
- 4003.5 Photostatic copy of cheque, found in suitcase from office of E. Y. Rabbiah, dated April 7, 1965 payable to Chemical Bank New York Trust Company from Elias Rabbiah in amount of \$2,959.72 Canadian.
- 4003.6 Photostatic copy of cheque, found in suitcase from office of E. Y. Rabbiah, dated April 14, 1965 payable to Mutual Bank and Trust Company from Elias Rabbiah in amount of \$5,412.50 Canadian.
- 4003.7 Photostatic copy of cheque, found in suitcase from office of E. Y. Rabbiah, dated April 2, 1965 payable to K. G. Lennie from Elias Rabbiah in amount of \$10,007.50.
- 4003.8 Photostatic copy of cheque, found in suitcase from office of E. Y. Rabbiah, dated April 9, 1965 payable to E. Y. Rabbiah signed by Rabbiah in amount of \$22,000.

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*Description*

4064. Photostatic copy of page 46 of general journal of Racan Photo-Copy Corporation Limited for the year 1964.
4065. Photostatic copy, obtained from Ontario Securities Commission of agreement between E. Y. Rabbiah and K. Haenisch in German language, English translation of which is Exhibit No. 4054.
- 4003.9 Photostatic copies of five cheques, found in suitcase from office of E. Y. Rabbiah, drawn on account of E. Y. Rabbiah and deposited to credit of Racan Photo-Copy Corporation Limited in March and April 1965 totalling \$303,659.48.
4067. Transcript of evidence of Max Block Jr. before the Securities and Exchange Commission on May 26, 1966 in the City of New York.
4068. Transcript of evidence of Allen S. Manus before the Securities and Exchange Commission on October 27, 1966 in the City of New York.
4069. Transcript of evidence of Allen S. Manus before the Securities and Exchange Commission on November 29, 1966 in the City of New York.
4070. Photostatic copy of two-page letter of opinion, received from the Clarkson Co., dated July 14, 1965 addressed to Clarkson Company Limited from G. S. Webb, Manager, Real Estate and Sales Division, Montreal Trust Company giving estimated market value of property at 300 Dwight Avenue as \$110,000.
4071. Schedule prepared by Mr. Walker entitled "Calcutta Holdings Limited (formerly Calcutta Petroleums Limited), Corporate Information".
4072. Two-page schedule prepared by Mr. Walker entitled "Calcutta Holdings Limited, J. T. Frame and J. Brewster, Advances by Commodore Sales Acceptance Limited".
4073. Schedule prepared by Mr. Walker entitled "Clare's Sportswear Woolens & Imports Limited, formerly Clare's Sportswear Woolens & Imports, Partnership and Corporate Information".
4074. Schedule prepared by Mr. Walker entitled "Douglas R. Annett, Clare's Sportswear, Woolens & Imports Limited, Advances by Commodore Sales Acceptance Limited".

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4075.	Certified copies of annual returns for Tropical Holiday Club Limited for the years 1962 and 1963 from the office of the Secretary's Department, Province of Quebec.		by which Albert Turk agrees to assign the U.S. patent and to re-execute assignment of the Canadian patent for hospital bed sides to the parties of the second part for a total consideration of \$25,000.
4076.	Schedule prepared by Mr. Walker entitled "Tropical Holiday Club Limited, Corporate Information".	4085.	Cancelled cheque no. 0334 drawn on the trust account of Solomon, Singer & Rosen dated July 8, 1963 payable to Albert Turk in amount of \$25,000 with notation "re: Purchase of Patent (Commodore Sales)".
4077.	Schedule prepared by Mr. Walker entitled "Tropical Holiday Club Limited, Advances by Commodore Sales Acceptance Limited".	4086.	Document from files of McCarthy & McCarthy being on assignment of Canadian patent no. 629331 by Albert Turk in favour of Albert J. West and Peter H. Pain, dated 8 July, 1963.
4078.	Schedule prepared by Mr. Walker entitled "Trans Carribean Investments Limited, Corporate Information".	4087.	Document from files of McCarthy & McCarthy being an assignment of Canadian patent no. 629331, by A. J. West and P. H. Pain in favour of Irwin Singer, dated 8 July, 1963.
4079.	Schedule prepared by Mr. Walker entitled "Trans Carribean Investments Limited, Advances by Commodore Sales Acceptance Limited".	4088.	Documents from files of McCarthy & McCarthy being two assignments dated 8 July, 1963, of U.S. patent no. 2972153: Albert Turk in favour of A. J. West and P. H. Pain; and A. J. West and P. H. Pain in favour of Irwin Singer.
4080.	Executed carbon copy of agreement, obtained from the Clarkson Co., made in July, 1964, between Trans Carribean Investments Limited and Dalite Corporation (Canada) Limited, by which Trans Carribean Investments sold its interest in information, plans, specifications gathered on possibilities of manufacturing and marketing prefabricated houses in Mexico, to Dalite Corporation.	4089.	Cheque no. 1221, dated July 23, 1963 from Solomon & Singer general account to McCarthy & McCarthy in amount of \$60 with notation "re: Registration of Assignment of Patents".
4081.	Schedule prepared by Mr. Walker entitled "Albert George Woolfrey, Advances by Furniture Sales Registered and Trans Carribean Investments Limited".	4090.	Cheque no. 1465, dated October 16, 1963 from Solomon & Singer general account to McCarthy & McCarthy in amount of \$10 with notation "re: Assignment of Patents".
4082.	Original letter, obtained from the Clarkson Co., dated July 9, 1965 from D. M. Samuel to Trans Carribean Investments Limited re: the Montana Restaurant property, Rexdale Boulevard, Etobicoke.	4091.	Certified copy of certificate of incorporation of Manhattan Sound Corporation, no. 357604 on file in the Department of State, State of New York.
4083.	Schedule prepared by Mr. Walker entitled "Modern Hospital Equipment Designs Limited, Advances by Commodore Sales Acceptance Limited and Commodore Factors Limited" — revision of Exhibit No. 3616.	4092.	Certified copy of certificate of incorporation of Manhattan West Sound Inc. no. 20344 on file in the Department of State, State of New York.
4084.	Executed duplicate agreement from files of McCarthy & McCarthy, dated 8 July, 1963, between Albert Turk, of the first part and Albert J. West, Peter Pain, Modern Hospital Equipment Designs Inc. and Modern Hospital Equipment Designs Limited of the second part,	4093.	Schedule prepared by Mr. Walker entitled "Manhattan Sound Corporation and Manhattan West Sound Inc., Advances by Commodore Factors Limited".



<i>Exhibit No.</i>	<i>Description</i>
4094.	Schedule prepared by Mr. Walker entitled "Motion Picture Security Corporation, Advances by Commo-dore Factors Limited".
4095.	Schedule prepared by Mr. Walker entitled "Annett & Company Lim-ited, Advance by Aurora Leasing Corporation Limited".
4096.	Certified cheque no. 511, dated November 15, 1962, payable to Annett & Company Limited from Aurora Leasing Corporation Lim-ited in amount of \$360,000.
4097.	Certified cheque no. 8076, dated November 15, 1962, payable to Atlantic Acceptance Corporation Limited from Annett & Company Limited in amount of \$480,000.
4098.	Schedule prepared by Mr. Walker entitled "Mrs. Kathleen Christie, Advances by Aurora Leasing Cor-poration Limited".
4099.	Schedule prepared by Mr. Walker entitled "Wilfrid P. Gregory, Adv-ances by Aurora Leasing Corpo-ration Limited".
1637.1	Original letter, from file of Walton Wagman & Co., on letterhead of British Mortgage & Trust Company dated March 21, 1963, addressed to Mr. Harold Wagman, signed "Wilf Gregory" re: repayment to Aurora Leasing Corporation Limited of Mr. Gregory's personal loan in amount of \$530,000 including in-terest.
4101.	Schedule prepared by Mr. Walker entitled "Mastino Developments Limited, Corporate Information".
4102.	Schedule prepared by Mr. Walker entitled "Mastino Developments Limited, Advances by Aurora Leas-ing Corporation Limited".
4103.	Schedule prepared by Mr. Walker entitled "J. G. Meckler & M. J. Lazar, Advances by Aurora Leas-ing Corporation Limited".
853.1	Letter, from files of Solomon, Singer & Solway, dated January 15, 1962 from Ulmer, Berne, Laronge, Glickman & Curtis, Attorneys at Law, Cleveland, Ohio to Carl M. Solomon re: purchase of securities of Jacroy Canada Limited by Messrs. J. G. Meckler and M. J. Lazar with money advanced by Aurora Leasing Corporation Lim-ited.

<i>Exhibit No.</i>	<i>Description</i>
853.2	Carbon copy, from files of Solo-mon, Singer & Solway, of report-ing letter dated April 2, 1962 from Solomon & Samuel to Aurora Leas-ing Corporation Limited re: Aurora Leasing Corporation loan to Messrs. Meckler & Lazar.
4106.	Schedule prepared by Mr. Walker entitled "Towers Marts and Proper-ties Limited, Allied Towers Mer-chants Limited — Leasing Arrange-ments with Aurora Leasing Corpora-tion Limited and Advance by Aurora Leasing Corporation Lim-ited".
4107.	Printed copy of annual report of Towers Marts and Properties Limited for year ending September 30, 1965, consisting of consoli-dated balance sheet statement of consolidated income and expense and deficit, notes to balance sheet and auditors' report.
4108.	Schedule prepared by Mr. Walker entitled "Dallas Holdings Limited, Corporate Information".
4109.	Schedule prepared by Mr. Walker entitled "Dallas Holdings Limited, Analysis of Liabilities at 31 Dec-ember, 1961, 1962, 1963, 1964 and 30 July, 1965".
4110.	Chart prepared by Mr. Walker entitled "Advances to Dallas Hold-ings Limited", covering the period December 1961 to December 1965.
4111.	Schedule prepared by Mr. Walker entitled "Dallas Holdings Limited, Analysis of Assets at 31 December, 1961, 1962, 1963, 1964 and 30 July, 1965".
4112.	Schedule prepared by Mr. Walker entitled "Dallas Holdings Limited, Analysis of Securities Held at Each Balance Date, 31 December, 1961, 1962, 1963, 1964 and 30 July, 1965, and Analysis of Profits (Losses) on Sales of Securities and/or on the Variation of the Revaluation of Securities on Hand at Each Fiscal Year End from the Cost of Such Securities or the Valuation Thereof at the Preced-ing Fiscal Year End".
4113.	Schedule prepared by Mr. Walker entitled "Dallas Holdings Limited, Operating Results for Years Ended 31 December, 1961 to 1964 and Seven Months ended 30 July, 1965, and Surplus (Deficit) at Each Bal-ance Sheet Date".

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4114.	Schedule prepared by Mr. Walker entitled "Dallas Holdings Limited, Estimate of Losses".		from Zurich branch of Exchange and Investment Bank of Geneva to trust account of Solomon & Singer, June 1964.
4115.	Photostatic copy of letter on letter-head of Commodore Sales Acceptance Limited, received from Mr. Woolfrey, dated August 7, 1964 with that date stroked out and above it the date written in "June 25/65", to Mr. C. P. Morgan, President, Commodore Sales Acceptance Limited from A. G. Woolfrey tendering his resignation as Treasurer and Director of Operations of Commodore Sales Acceptance Limited and Commodore Factors Limited.	4122.	General accounting records of Cansameric Industries Limited, received from A. B. Drohan, for the period March, 1961 to end of 1964.
4116.	Two carbon copies of promissory note dated April 1, 1965 from A. G. Woolfrey to Trans Carribean Investments Limited in amount of \$13,866.25 with an endorsement on the back in type "payable by blended monthly payments of \$111.08 commencing April 1, 1965", received from Mr. Woolfrey.	4123.	Two-page schedule prepared by Mr. James entitled "Cansameric Industries Limited, Payments to E. Last".
4117.	Carbon copy, received from Mr. Woolfrey, of a letter dated 31 March, 1965 addressed to Mr. M. Wasserman, c/o D. M. Samuel, Barrister & Solicitor, from Commodore Sales Acceptance Limited per A. G. Woolfrey, Treasurer, enclosing cheque in amount of \$13,866.25 issued to D. M. Samuel, in trust, to discharge first mortgage held by Mrs. N. Worthington on property at 17 Margdon Rd.	4124.	Promissory note, dated February 21, 1963 in amount of \$22,703.12 in favour of Cansameric Industries Limited from Dalite Company of Delaware Limited signed by E. Last.
4118.	Photostatic copies, received from Mr. Solomon, of books of account of Messrs. Solomon & Singer, commencing on May 1, 1962 and continuing until March, 1966.	4125.	Three copies from records of Cansameric Industries Limited of invoice no. 2569 with amended date of September 15, 1962, Cansameric Industries Limited to Dalite Corporation (Canada) Limited in amount of \$25,686 for 15 sets of complete plumbing, heating and electrical work and 28 sets of complete floor tiling, top copy of invoice marked "Cancelled" and duplicate copies used to redraft details for typing on to other invoices.
4119.	Certified true copy of liability ledger sheet for loan account of C. M. Solomon at Canadian Imperial Bank of Commerce, Queen and Bathurst Street branch.	4126.	Three copies, from records of Cansameric Industries Limited, of invoice no. 2598 dated September 15, 1962, Cansameric Industries Limited to Dalite Corporation (Canada) Limited in amount of \$17,175 for 15 sets of complete plumbing and heating, top copy marked "Cancelled. See Inv. 2600".
4120.	Certified true copy of ledger card, relating to loan account of Mr. Solomon at Canadian Imperial Bank of Commerce, Queen & Bathurst Street branch.	4127.	Three copies, from records of Cansameric Industries Limited of invoice no. 2599 dated September 15, 1962, Cansameric Industries Limited to Dalite Corporation (Canada) Limited in amount of \$14,083.28 for 15 sets of complete electrical work and 28 sets of complete floor tile, top copy marked "Cancelled. See Inv. 2601".
4121.	Letter, received from Mr. Solomon, dated March 7, 1966 from Exchange and Investment Bank of Geneva to Messrs. Solomon & Singer re: transfer of \$100,000 U.S. on behalf of unnamed client,	4128.	Two credit notes from records of the company, of Cansameric Industries Limited, nos. 132 and 133 in amounts of \$16,435 and \$14,823.28 to Dalite Corporation (Canada) Limited dated December 5, 1962, cancelling invoices no. 2600 and 2601.

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4129.	Credit note, from records of the company, of Cansameric Industries Limited No. 134 to Dalite Corporation (Canada) Limited, dated December 5, 1962 in amount of \$427.72 with notation "See Inv. 2600 & 2601, Oct. 15".	4136.	Certified photostatic copy of direction to Royal Bank of Canada dated January 23, 1963 being instructions to issue a draft in favour of Eugene Last in amount of \$15,000 U.S., signed "Cansameric Industries Limited".
4130.	Three copies, from records of Cansameric Industries Limited of invoice no. 2872 dated November 9, 1962, Cansameric Industries Limited, to Dalite Corporation (Canada) Limited, on two copies of which amount is shown as \$6,187.50 and on the third copy as \$6,000 for extra labour and material on 33 homes. Top copy has handwritten notation "Cancelled, made out in error" and signed "A.B.D."	4137.	Certified photostatic copy of face and reverse side of draft no. 760454 of Royal Bank of Canada marked "Pay to the order of Eugene Last \$15,000 U.S. funds".
4131.	Cheque no. 1110 of Cansameric Industries Limited from records of the company, dated October 18, 1962, pay to the order of "Cash" in amount of \$6,000, endorsed on back "D. M. Leiterman, A. B. Drohan for deposit" and bank stamp "Deposited to Credit of E. Last in the Toronto-Dominion Bank, 2802 Lakeshore Blvd. W".	4133.1	Photostatic copy, from records of Cansameric Industries Limited of bank statement for account of Cansameric Industries Limited at the Royal Bank of Canada covering the period December 31, 1962 to January 25, 1963.
4132.	Certified true copy of deposit slip of Toronto-Dominion Bank, Lake Shore Boulevard & Third Street branch showing deposit of a cheque in amount of \$6,000 less \$3, net deposit of \$5,997 to account of E. Last, October 17, 1962.	4239.	Certified true copies of ledger cards for account of E. Last at the Toronto-Dominion Bank, 2802 Lakeshore Blvd. West & Third Street branch covering period December 10, 1960 to February 1, 1965.
4133.	Photostatic copy from records of Cansameric Industries Limited, of bank statement for account of Cansameric Industries Limited at the Royal Bank of Canada covering period October 22, 1962 to October 31, 1962.	4140.	Duplicate deposit book of Cansameric Industries Limited covering the period November 21, 1962 to February 21, 1963, taken from records of the company.
4134.	Invoice no. 3026, from the records of the company, of Cansameric Industries Limited to Dalite Corporation (Canada) Limited dated January 23, 1963 in amount of \$19,976.29 for materials purchased at Thompson, Manitoba for the first stage of Thompson project. Attached is a handwritten note setting out the description on the invoice.	4141.	Accounting records of Dalite Company of Delaware Limited for the period 1960 to May 31, 1963, containing the general ledger and cash disbursements, receipts and a journal.
4135.	Cancelled cheque of Cansameric Industries Limited no. 1308 dated January 23, 1963 in the amount of \$16,703.12 payable to Royal Bank of Canada re: U.S. draft \$15,000, U.S. currency \$500.	4142.	Schedule prepared by Mr. James entitled "Dalite Company of Delaware Limited, Movement of Funds June 26, 1962 to May 31, 1963".
		2940.9	Two-page carbon copy of interim balance sheet as at May 31, 1963, Dalite Company of Delaware Limited, dated June 17, 1963 with signature "Glick & Levine, Chartered Accountants", from file of Roberts, Archibald, Seagram & Cole.
		4144.	Two-page schedule prepared by Mr. James entitled "Cansameric Industries Limited, Payments to S. J. Hogg" with attached page entitled "Cansameric Industries Limited, Re: Sam Hogg".
		4145.	Cancelled cheque no. 606 of Cansameric Industries Limited, taken from records of the company, in amount of \$1,700 dated June 21, 1962, drawn on Royal Bank of Canada, 2043 Eglinton Avenue East, in favour of A. B. Drohan.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4146.	Handwritten memorandum headed "Cansameric Industries Limited, Sundry Memos For Year Ended December 31, 1962" received from Messrs. Glick & Levine, Chartered Accountants.		(b) Dalite would furnish Cansameric with receipted invoice in amount of \$58,271.01 to set-off Cansameric's accounts payable incurred with Dalite.
4147.	Cancelled cheque no. 0801 of Cansameric Industries Limited, taken from records of the company, in amount of \$2,960. dated August 3, 1962 payable to S. J. Hogg.	4155.	Minute book of Damere Limited.
4148.	Duplicate deposit book of Cansameric Industries Limited covering the period July 26, 1962 to November 19, 1962, taken from records of the company.	4156.	Transcript of examination of Manfred Kapp, in bankruptcy of Evermac Office Equipment Company Limited, October 5, 1965.
4149.	Handwritten memorandum headed "Cansameric Industries Limited, Final Memos as at December 31, 1962" from files of Glick & Levine.	4157.	Transcript of examination of Manfred Kapp in bankruptcy of Trans Commercial Acceptance Limited, October 21, 1965.
4150.	Cancelled cheque no. 1152 of Cansameric Industries Limited, taken from records of the company in amount of \$1,000 dated November 2, 1962 payable to S. J. Hogg.	4158.	Transcript of examination of Manfred Kapp, in bankruptcy of Associated Canadian Holdings Limited, January 6, 1966.
4151.	Cancelled cheque no. 1169 of Cansameric Industries Limited, taken from records of the company, in amount of \$1,200 dated November 14, 1962 payable to cash and endorsed by D. M. Leiterman.	4159.	Transcript of examination of Carl Morton Solomon in bankruptcy of Aurora Leasing Corporation Limited, November 30, 1965.
4152.	Two-page handwritten schedule entitled "Cansameric Industries Limited, Adjusting Entries, December 31, 1962" from files of Glick & Levine.	4160.	Transcript of examination of Carl Morton Solomon, in bankruptcy of Aurora Leasing Corporation Limited, February 14, 1966.
4153.	Invoice, with attached memorandum of typing instructions, of Cansameric Industries Limited, taken from records of the company, dated February 27, 1963 to Mr. Sam Hogg in amount of \$364.96 for one furnace less a burner plus installation costs.	4161.	Transcript of examination of Jack Tramiel, in bankruptcy of Evermac Office Equipment Company Limited, September 23, 1965.
4154.	Signed carbon copy of agreement of June, 1963 between Dalite Corporation (Canada) Limited and Cansameric Industries Limited and E. A. Brown and A. B. Drohan, with two schedules attached, which agreement provided that (a) Dalite Corporation would discharge debts accumulated by Cansameric Industries on Thompson, Manitoba project in amount of \$52,730.99	4162.	Transcript of examination of Jack Tramiel, in bankruptcy of Associated Canadian Holdings Limited, November 8, 1965.
		4163.	Transcript of examination of Jack Tramiel, in bankruptcy of Associated Canadian Holdings Limited, November 17, 1965.
		4164.	Transcript of examination of Jack Tramiel, in bankruptcy of Associated Canadian Holdings Limited, November 30, 1965.
		4165.	Transcript of examination of Jack Tramiel, in bankruptcy of Trans Commercial Acceptance Limited, September 29, 1965.
		4166.	Transcript of examination of Harry Wagman, in bankruptcy of Associated Canadian Holdings Limited November 12, 1965.
		4167.	Transcript of examination of Harry Wagman, in bankruptcy of Associated Canadian Holdings Limited, December 6, 1965.

<i>Exhibit No.</i>	<i>Description</i>
4168.	Transcript of examination of Harry Wagman, in bankruptcy of Valley Farm and Enterprises Limited, November 5, 1965.
4169.	Transcript of examination of Harry Wagman, in bankruptcy of Valley Farm and Enterprises Limited, November 15, 1965.
4170.	Transcript of examination of Harry Wagman, in bankruptcy of Valley Farm and Enterprises Limited, December 13, 1965.
4171.	Transcript of examination of Harry Wagman, in bankruptcy of Masco Construction Company Limited, November 23, 1965.
4172.	Transcript of examination of Harry Wagman, in bankruptcy of Dallas Holdings Limited, December 8, 1965.
4173.	Transcript of examination of Harry Wagman, in bankruptcy of Dalite Corporation (Canada) Limited, December 13, 1965.
4174.	Transcript of examination of Harry Wagman, in bankruptcy of Cimcony of Canada Limited, December 13, 1965.
4175.	Transcript of examination of Harry Wagman, in bankruptcy of Aurora Leasing Corporation Limited, January 24, 1966.
4176.	Transcript of examination of Harry Wagman, in bankruptcy of Aurora Leasing Corporation Limited, February 22, 1966.
4177.	Transcript of examination of Harry Wagman, in bankruptcy of Frederick's Department Store Limited, November 23, 1965.
4178.	Transcript of examination of William Lewis Walton, in bankruptcy of Aurora Leasing Corporation Limited, January 20, 1966.
4179.	Transcript of examination of William Lewis Walton, in bankruptcy of Dalite Corporation (Canada) Limited, January 20, 1966.
4180.	Transcript of examination of William Lewis Walton, in bankruptcy of Valley Farm & Enterprises Limited, January 20, 1966.
4181.	Transcript of examination of William Lewis Walton, in bankruptcy

<i>Exhibit No.</i>	<i>Description</i>
	of Associated Canadian Holdings Limited, January 20, 1966.
4182.	Transcript of examination conducted by the Ontario Securities Commission — R. A. Goodfellow, August 10, 1965.
4183.	Transcript of examination conducted by the Ontario Securities Commission — Manfred Kapp, April 6, 1966.
4184.	Transcript of examination conducted by the Ontario Securities Commission — Albert M. Lando, September 1, 1965.
4185.	Transcript of examination conducted by the Ontario Securities Commission — Albert M. Lando, September 15, 1965.
4186.	Transcript of examination conducted by the Ontario Securities Commission — Kenneth George Lennie, September 14, 1965.
4187.	Transcript of examination conducted by the Ontario Securities Commission — C. Powell Morgan, November 16, 1965.
4188.	Transcript of examination conducted by the Ontario Securities Commission — David Rush, February 9, 1966.
4189.	Transcript of examination conducted by the Ontario Securities Commission — David Rush, April 14, 1966.
4190.	Transcript of examination conducted by the Ontario Securities Commission — Jack Tramiel, April 6, 1966.
4191.	Transcript of examination conducted by the Ontario Securities Commission — Harry Wagman, September 3, 1965.
4192.	Transcript of examination conducted by the Ontario Securities Commission — Harry Wagman, September 10, 1965.
4193.	Transcript of examination conducted by the Ontario Securities Commission—Albert George Woolfrey, April 18, 1966.
4194.	Transcript of examination conducted by the Ontario Securities Commission — Volume HH, George Doble Bowman, August 31, 1966.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4195.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume N, Mrs. Elizabeth Ruth Crisp, February 24, 1966.	4204.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume I, William Louis Walton, February 10, 1966.
4196.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume O, Mrs. Elizabeth Ruth Crisp, Frederick Stewart Draper, Marvin Arnold Goldberg, Manfred Kapp, Irwin Singer, Celicia Carole Anne Smith, Jack Tramiel, John Canning, Donald S. Chapman, Solomon Sidney Chusid, Leonard Murray Eades, Sidney Fromer, Shirley Fruitman, John Claris Laidlaw, Albert Morris Lando, Walter Pahn, David Murray Samuel, Hubert Jud Stiit, Albert George Woolfrey, February 28, 1966.	4205.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Omer Poirier, December 23, 1965.
4197.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume QQ, Eugene Last, November 8, 1966.	4206.	Lists of transcripts of evidence entered as Exhibit nos. 4156 to 4205 inclusive.
4198.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume FF, Jack Ewart Lumb and George Alexander Robb, August 26, 1966.	4207.	File and contents entitled "Modern Hospital Equipment Design Limited, Inventory Loan" being a file of Commodore Sales Acceptance Limited from the records of the Clarkson Company Limited.
4199.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume M, Irwin Singer and Carl Morton Solomon, February 24, 1966.	4208.	File and contents entitled "Modern Hospital Equipment Designs Inc., Legal Documents, 1962" being a file of Commodore Sales Acceptance Limited from the records of the Clarkson Company Limited.
4200.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume P, Carl Morton Solomon, March 2, 1966.	4209.	Slip of paper with the inscription "Edward Lawrence Stone" which is a signature specimen of Mr. Stone's handwriting.
4201.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume AA, Brian Wilmot Sparks, August 19, 1966.	4210.	Two-page schedule prepared by Mr. Singer entitled "Analysis of Carl M. Solomon, Irwin Singer, Morton Goldhar and C. Powell Morgan Stock Transactions in Racan Photo-Copy Corporation June Through November, 1963".
4202.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume A, Harry Wagman, January 19, 1966.	4211.	Folder, received from Mr. Singer, containing documents being working papers used in preparation of schedule, Exhibit no. 4210.
4203.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission—Volume F, Harry Wagman, January 28, 1966.	4212.	Letter, received from Mr. Singer, dated June 16, 1964 from G. T. Ormston, Manager, Canadian Imperial Bank of Commerce, Queen & Bathurst Sts. branch to C. M. Solomon re: outstanding balance of \$8,000 on original loan of \$15,000 used to purchase shares of Racan Photo-Copy Corporation Limited, with attached note bearing printed heading "From the desk of G. Ormston" and in handwriting, "Is this what you want? G". Also attached is carbon copy of letter dated June 17, 1964 from C. M. Solomon to C. Powell Morgan enclosing copy of the letter from the bank.



<i>Exhibit No.</i>	<i>Description</i>
4213.	File and contents, received from Mr. Singer, entitled "Commodore Factors Limited, Loan to Peter Pain Hospital Designs Limited".
4213.1	Carbon copy, from files of Solomon & Singer, of letter dated January 5, 1965 to Mr. Woolfrey, Commodore Factors Limited from Mr. Irwin Singer notifying Mr. Woolfrey of receipt from McCarthy & McCarthy of duplicate copies of assignment of "Turk" patents to Irwin Singer (in trust). Attached is copy of bill of account from Solomon & Singer to Commodore Factors Limited.
4213.2	Letter, from files of Solomon Singer, dated 10 February 1965 to Mr. I. Singer from A. G. Wolfrey Commodore Factors Limited, enclosing cheque in reimbursement of fees with regard to assignment of bed rail patents and asking Mr. Singer to hold the assignments as trustee for Commodore Factors Limited.
4216.	Certified true copy of record of cable, date of despatch June 23, 1964, Canadian Imperial Bank of Commerce International Department, head office to City Hall branch of the bank advising of a credit to the branch of \$100,000 U.S. remitted from Zurich.
4217.	Certified true copy of translation of telegram received June 25, 1964 by Canadian Imperial Bank of Commerce International Department from Zurich advising that \$100,000 U.S. referred to in Exhibit no. 4216 is for deposit to account of Solomon & Singer in trust.
4218.	Certified true copy of credit memo of Canadian Imperial Bank of Commerce, City Hall branch, showing a deposit to account No. 09-04317, U.S. suspense account of the bank, in amount of \$100,000 with notation "C. Solomon Trust, Zurich".
4219.	Certified true copy of debit memo of Canadian Imperial Bank of Commerce City Hall branch, debiting account no. 09-04317, U.S. suspense account of the bank with \$100,000 and crediting the moneys to Solomon & Singer.
4220.	Certified true copies of ledger cards for account of Solomon, Singer & Rosen for the period from Decem-

<i>Exhibit No.</i>	<i>Description</i>
	ber 31, 1962 to May 1, 1963, and for account of Solomon & Singer from May 1, 1963 to August 31, 1965 at the Canadian Imperial Bank of Commerce.
4221.	Certified true copy of advice slip from Canadian Imperial Bank of Commerce to Solomon & Singer, dated June 26, 1964 showing deposit to trust account no. 85-01610 of \$90,000 plus U.S. Premium of \$7,228.13.
4222.	Certified true copy of advice slip from Canadian Imperial Bank of Commerce, to Solomon & Singer, dated June 26, 1964 showing deposit to trust account no. 85-01610 of \$10,000 U.S. with notation "Re: error other deposit of June 26" — Exhibit No. 4221.
4223.	Certified true copy of cash requisition, dated June 23, 1964 indicating shipment of \$12,000 U.S. from the head office of the Canadian Imperial Bank of Commerce to City Hall branch and premium of \$997.50 being charged.
4224.	Certified true copy of cash requisition, dated June 26, 1964 indicating shipment of \$98,000 Cdn. from the head office of the Canadian Imperial Bank of Commerce to City Hall branch.
1045.2	Counter cheque, from files of Solomon & Singer, dated June 26, 1964, drawn on the Canadian Imperial Bank of Commerce, City Hall branch, Toronto payable to order of C. Solomon in amount of \$107,228.13, signed "Solomon and Singer In Trust per Carl M. Solomon" and endorsed on reverse side "C. Solomon".
4226.	File containing certified copy of letters patent, supplementary letters patent and other documents on file in the Department of Provincial Secretary for Ontario re: British Mortgage & Trust Company.
4227.	Schedule prepared by Touche, Ross, Bailey & Smart, entitled "British Mortgage & Trust Company, Board of Directors and Officers from 1952 to July 27, 1965".
4228.	Book of by-laws of British Mortgage & Trust Company from 1877 to 1964 together with two files containing copies of by-laws and correspondence relating thereto.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4229.	Book of resolutions of British Mortgage & Trust Company, Company from 1931 to 1965.	2561.4	Annual report to Registrar of Loan and Trust Corporations of Ontario by British Mortgage & Trust Company—1961.
4230.	Schedule prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Comparative Balance Sheets at Fiscal Year Ends 1957-1964 and June 30, 1965".	2561.5	Annual report to Registrar of Loan and Trust Corporations of Ontario by British Mortgage & Trust Company—1962.
4231.	Schedule prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Comparative Statement of Revenue and Expenditure and Undivided Profits, Fiscal Years 1957-1964 and 6 Months to June 30, 1965".	2561.6	Annual report to Registrar of Loan and Trust Corporations of Ontario by British Mortgage & Trust Company—1963.
4232.	Report of the Registrar of Loan and Trust Corporations of Ontario—1957.	2561.7	Annual report to Registrar of Loan and Trust Corporations of Ontario by British Mortgage & Trust Company—1964.
4233.	Report of the Registrar of Loan and Trust Corporations of Ontario—1958.	4248.	Financial statements and annual report of British Mortgage & Trust Company—1957.
4234.	Report of the Registrar of Loan and Trust Corporations of Ontario—1959.	4249.	Financial statements and annual report of British Mortgage & Trust Company—1958.
4235.	Report of the Registrar of Loan and Trust Corporations of Ontario—1960.	4250.	Financial statements and annual report of British Mortgage & Trust Company—1959.
4236.	Report of the Registrar of Loan and Trust Corporations of Ontario—1961.	4251.	Financial statements and annual report of British Mortgage & Trust Company—1960.
4237.	Report of the Registrar of Loan and Trust Corporations of Ontario—1962.	4252.	Financial statements and annual report of British Mortgage & Trust Company — 1961.
4238.	Report of the Registrar of Loan and Trust Corporations of Ontario—1963.	4253.	Financial statements and annual report of British Mortgage & Trust Company—1962.
4239.	Report of the Registrar of Loan and Trust Corporations of Ontario—1964.	4254.	Financial statements and annual report of British Mortgage & Trust Company—1963.
4240.	Report of the Registrar of Loan and Trust Corporations of Ontario—1965.	4255.	Financial statements and annual report of British Mortgage & Trust Company—1964.
2561.1	Annual report to Registrar of Loan and Trust Corporations of Ontario by British Mortgage & Trust Company — 1957, 1958.	4256.	Copy of report of a committee of the Institute of Chartered Accountants dated November 16, 1959 to the Provincial Government on audit sections of the Loan and Trust Corporations Act of Ontario, received from Institute of Chartered Accountants.
2561.2	Annual report to Registrar of Loan and Trust Corporations of Ontario by British Mortgage & Trust Company—1959.	4257.	Three-page schedule prepared by Touche, Ross, Bailey & Smart showing effect on the equity of British Mortgage & Trust Company of the change in accounting for interest income.
2561.3	Annual report to Registrar of Loan and Trust Corporations of Ontario by British Mortgage & Trust Company—1960.		

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4258.	File from office of Campbell, Lawless & Punchard, Chartered Accountants entitled "British Mortgage & Trust, Financial Statements, 1962-1964".	4269.	File from office of Campbell, Lawless & Punchard, Chartered Accountants entitled "British Mortgage & Trust, Year End Papers, 31 October, 1964".
4259.	File from office of Campbell, Lawless & Punchard, Chartered Accountants entitled "British Mortgage & Trust, Audit Program, 1963".	4270.	File from office of Campbell, Lawless & Punchard, Chartered Accountants entitled "British Mortgage & Trust, Estates, Trusts and Invested Assets".
4260.	File from office of Campbell, Lawless & Punchard, Chartered Accountants entitled "British Mortgage & Trust, Audit Detail, 1962-1963".	4271.	File from office of Campbell, Lawless & Punchard, Chartered Accountants entitled "British Mortgage & Trust 1963-1964 Detail".
4261.	File from office of Campbell, Lawless & Punchard, Chartered Accountants entitled "British Mortgage & Trust, Year End Papers, 1963".	4272.	File from office of Campbell, Lawless & Punchard, Chartered Accountants entitled "British Mortgage & Trust, Branch Audit, 1964".
4262.	File from office of Campbell, Lawless & Punchard, Chartered Accountants entitled "British Mortgage & Trust, Audit Program, 1964-1965".	4273.	File from office of Solomon & Singer entitled "C. P. Morgan et al, Commodore Business Machines (Canada) Limited, Series B. Debentures".
4263.	File from office of Campbell, Lawless & Punchard, Chartered Accountants entitled "British Mortgage & Trust, 1964-1965, Detail".	4274.	Chart prepared by Touche, Ross, Bailey & Smart entitled British Mortgage & Trust Company, Percentage Growth of Assets in Comparison to Industry Averages, 1959-1964".
4264.	File from office of Campbell, Lawless & Punchard, Chartered Accountants entitled "British Mortgage & Trust, Branch Reports Oct. 31/64, Year End Papers, October 31, 1964".	4275.	Chart prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Company, Comparison of Asset Composition with Trust Companies' Industry Average, 1959-1964" with supplement.
4265.	File from office of Campbell, Lawless & Punchard, Chartered Accountants entitled "British Mortgage & Trust, Audit Program 1963-1964, Detail".	4276.	Chart prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Comparison of Asset Composition with Mortgage & Loan Companies' Industry Average, 1959-1964" with supplement.
4266.	File from office of Campbell, Lawless & Punchard, Chartered Accountants entitled "British Mortgage & Trust, Branch Audit Year Ended 31 October 1963".	4277.	Chart prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Comparison of Liability Composition with Mortgage and Loan Companies' Industry Average, 1959-1964" with supplement.
4267.	File from office of Campbell, Lawless & Punchard, Chartered Accountants entitled "British Mortgage & Trust, Oct. 1964, Confirmations".	4278.	Chart prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Comparison of Liability Composition with Trust Companies' Industry Average 1959-1964" with supplement.
4268.	File from office of Campbell, Lawless & Punchard, Chartered Accountants entitled "British Mortgage & Trust November, 1962-July, 1965, Correspondence (further information)".		



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4279.	Schedule prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Branch Office Development".	4290.	Schedule prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Details of Each Type of Investment in Atlantic and Allied Interests and Other Corporations".
4280.	File of British Mortgage & Trust Company re: Toronto Advisory Board.	4291.	Schedule prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Investments in Atlantic Acceptance and Associated Companies, Security Transactions Before and After Fiscal Year Ends".
4281.	File of British Mortgage & Trust Company re: reports of Managing Directors, 1956-1964.	4292.	Chart prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Analysis of Corporate Investments and Collateral Loans, 1958-1965" showing total corporate investments, investments in Atlantic Acceptance Corporation and Investments in Atlantic Acceptance complex at each month end.
4281.1	British Mortgage & Trust Company, Managing Director's report, November 1, 1962 to October 31, 1963.	4293.	Schedule prepared by Touche, Ross, Bailey & Smart, British Mortgage & Trust Company showing limitations of investment by reference to capital and reserve, under the Loan and Trust Corporations Act, Section 142.
4281.2	British Mortgage & Trust Company, Managing Director's report, November 1, 1963 to October 31, 1964.	2553.1	Photostatic copy of letter from office of Registrar of Loan and Trust Corporations, dated March 4, 1963 to W. P. Gregory, British Mortgage & Trust Company re: mortgage reserves.
4284.	Statements prepared by British Mortgage & Trust Company of operation of branch offices for six months ended April 30, 1965 with attached summary prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Summary of Branch Losses for the six months' period ending April 30, 1965".	2553.2	Photostatic copy of letter from Registrar of Loan and Trust Corporations, dated April 2, 1965 to W. P. Gregory, British Mortgage & Trust Company asking Mr. Gregory to substantiate that the figure of \$900,000 for mortgage reserve shown on balance sheet in annual statement at October 31, 1964 is sufficient.
4285.	Schedule prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Mortgage Loans in Excess of \$50,000, 1957-1964".	2553.3	Photostatic copy of letter from W. P. Gregory, British Mortgage & Trust Company dated April 20, 1965 to Registrar of Loan & Trust Corporations giving assurance that mortgage reserve as shown in 1964 statement is adequate and outlining reasons.
4286.	List of stocks held by British Mortgage & Trust Company in 1957 taken from the report of the company to the Registrar of Loan and Trust Corporations in 1957.	4268.1	Copy of letter from Campbell, Lawless & Punchard, auditors of the company, to British Mortgage & Trust Company dated November 22, 1962 pointing out that the holdings in Atlantic Acceptance
4287.	List of stocks held by British Mortgage & Trust Company in 1964 taken from the report of the company to the Registrar of Loan and Trust Corporations in 1964.		
4288.	Schedule prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Investment in Financial Institutions other than Banks, October 31, 1964".		
4289.	Schedule prepared by Touche, Ross, Bailey & Smart showing investments of British Mortgage & Trust Company in government bonds, corporate investments, notes and collateral loans, 1957 to 1965 and gradual increase in investments in Atlantic complex 1959 to 1965".		

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
	Corporation at November 19, 1962 constituted a breach of Section 142 (1)iii of Loan and Trust Corporations Act.	4313.	File of British Mortgage & Trust Company entitled "Short-Term Notes, Promissory, etc."
4297.	File of British Mortgage & Trust Company entitled "Collateral Loan to (Messrs.) Annett, King, Duncan, etc."	4314.	Financial statements and annual report of Western Heritage Properties Limited for year ending December 31, 1964.
4298.	File of British Mortgage & Trust Company entitled "Collateral Loan to Associated Canadian Holdings".	4315.	Photostatic copy of auditors' report and financial statements of Sherwood Properties Limited at October 31, 1964.
4299.	File of British Mortgage & Trust Company entitled "Collateral Loan to Bensinger, Charles".	4316.	Schedule prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Estimated Losses on Corporate Investments and Collateral Loans Involved in The Atlantic Complex".
4300.	File of British Mortgage & Trust Company entitled "Collateral Loan to Alan T. Christie".	4297.1	Photostatic copy of letter from Annett & Company Limited to British Mortgage & Trust Company dated June 24, 1964 re: collateral loan to Messrs. Annett, King, Duncan etc. to purchase 75,000 shares of The Dale Estate Limited at \$1.50 per share plus commission.
4301.	File of British Mortgage & Trust Company entitled "Collateral Loan to Kathleen Christie".	4297.2	Photostatic copy of letter from Annett & Company Limited to British Mortgage & Trust Company dated October 23, 1964 enclosing cheque in payment of interest on collateral loan of Messrs. Annett, King, Duncan etc. from June to October 1964 and also enclosing a letter from the Secretary, Annett & Company Limited stating value of the equity of Annett & Company in S.A.F. Holdings assigned to British Mortgage as collateral.
4302.	File of British Mortgage & Trust Company entitled "Collateral Loan to J. Franklin Hartzel".	4312.1	Photostatic copy of letter to British Mortgage & Trust Company from Chisholm & Co. dated September 14, 1964 setting out particulars of collateral loan to Chisholm & Co. from British Mortgage.
4303.	File of British Mortgage & Trust Company entitled "Collateral Loan to Manfred Kapp".	4300.1	Photostatic copy of letter from Annett & Company Limited to British Mortgage & Trust Company dated November 14, 1963, re: loans for Mrs. Kathleen Christie and Alan T. Christie in amounts of \$75,000 each, listing securities, giving market and margin values, to be pledged as collateral with British Mortgage.
4304.	File of British Mortgage & Trust Company entitled "Collateral Loan to Carman G. King".	4321.	Carbon copy of reporting letter from A. V. Crate, Assistant General Manager, Victoria and Grey Trust Company Toronto to R. G. Thomas, Q.C., General Manager, Victoria and Grey Trust Company,
4305.	File of British Mortgage & Trust Company entitled "Collateral Loan to Mrs. Kathrine P. LeLandais".		
4306.	File of British Mortgage & Trust Company entitled "Collateral Loan to C. Powell Morgan".		
4307.	File of British Mortgage & Trust Company entitled "Collateral Loan to N.G.K. Investments Limited".		
4308.	File of British Mortgage & Trust Company entitled "Collateral Loan to E. George Poindexter".		
4309.	File of British Mortgage & Trust Company entitled "Collateral Loan to Jack Tramiel".		
4310.	File of British Mortgage & Trust Company entitled "Collateral Loan to Trans Commercial Acceptance Ltd."		
4311.	File of British Mortgage & Trust Company entitled "Collateral Loan to William L. Walton".		
4312.	File of British Mortgage & Trust Company entitled "Collateral Loans—Miscellaneous Information".		

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
	Lindsay dated April 26, 1966 re: sale of securities of Commodore Business Machines (Canada) Limited held by the company, on their own behalf or pledged on collateral loans.	4329.	Schedule prepared by Touche, Ross, Bailey & Smart entitled "Summary of Losses to Estates, Trusts & Agencies arising from Investments in British Mortgage & Trust Company and Atlantic Acceptance Corporation and its Affiliates".
4322.	Letter from Victoria and Grey Trust Company, Stratford to A. W. Moreton, Touche, Ross, Bailey & Smart dated January 24, 1967 enclosing list of Aurora Leasing Corporation Limited notes, with photostatic copies of the notes, held by Victoria and Grey Trust Company.	4330.	Photostatic copies of bundle of memoranda, from files of British Mortgage & Trust, from R. R. Swanson, Assistant Manager, Trust Department, British Mortgage & Trust Company to W. P. Gregory re: investment of funds available from estates, trusts and agencies.
4268.2	Photostatic copy of letter from Campbell, Punchard & Lawless, auditors of the company, to British Mortgage & Trust Company dated November 22, 1963 pointing out that the company by holding 22,850 common shares of Aurora Leasing at October 31, 1964, is in breach of section 142(1)(b) of the Loan and Trust Corporations Act.	2553.5	Photostatic copy of letter dated March 25, 1964 to W. P. Gregory, Esq., Q.C., President, British Mortgage & Trust Company, Stratford, Ontario from F. E. A. Jackson, Examiner, Office of Registrar of Loan and Trust Corporations re: eligibility of securities held as collateral.
4268.3	Photostatic copy of letter from British Mortgage & Trust Company to Campbell, Punchard & Lawless, auditors of the company, dated November 25, 1963 stating that the company have sold 350 shares of Aurora Leasing and are now within the limit specified by the Loan and Trust Corporations Act.	2553.6	Photostatic copy of letter dated April 29, 1964, to Mr. F. E. A. Jackson, Examiner, office of Registrar of Loan and Trust Corporations, from Wilfrid P. Gregory, President, British Mortgage & Trust Company, Stratford, Ontario re: shares, bonds, collateral loan security and mortgages held by British Mortgage.
4325.	Nine-page schedule prepared by Touche, Ross, Bailey & Smart entitled "W. P. Gregory — Securities Held, December 31, 1960, 1961, 1962, 1963 and 1964 and June 1965".	2553.7	Photostatic copy of letter marked "Personal" dated March 22, 1965 to Mr. C. Richards, Registrar of Loan & Trust Corporations from Wilfrid P. Gregory, President, British Mortgage & Trust Company, Stratford, Ontario, re: loans and investments made by British Mortgage.
4326.	Photostatic copy of file of British Mortgage & Trust Company re: Aurora Leasing Corporation Limited.	2553.8	Photostatic copy of letter dated April 8, 1965 to Mr. C. Richards, Registrar of Loan and Trust Corporations from Wilfrid P. Gregory, President, British Mortgage & Trust Company, Stratford, Ontario assuring Mr. Richards that extensive reserves are not required as no impairment exists and all action taken is in accordance with the provisions of the Loan and Trust Corporations Act.
2553.4	Photostatic copy of letter from British Mortgage & Trust Company to Registrar of Loan and Trust Corporations dated April 27, 1965 re: eligibility of investments of British Mortgage & Trust in the Atlantic complex.	2553.9	Photostatic copy of letter dated April 15, 1965, from W. P. Gregory, President, British Mortgage & Trust Company, Stratford, Ontario to C. Richards, Registrar of Loan
4328.	Schedule prepared by Victoria and Grey Trust Company entitled "British Mortgage & Trust Company, Estates, Trusts, Agencies, Retirement Savings Plans & Equity Fund, Statement of Losses".		



*Exhibit  
No.*

*Description*

- & Trust Corporations re: real estate held for investment and sale and mortgage investments.
4337. List of market price quotations on the Unlisted Market relating to British Mortgage & Trust Company, 1957-1965 from firm of McDonnell, Adams & Company Ltd., Stock Brokers.
4338. Two-page schedule prepared by A. W. Moreton, entitled "Wilfrid P. Gregory, Estimated Statement of Assets and Liabilities at June 17, 1965".
4339. Certified true copy, received from Canadian Imperial Bank of Commerce, of statement of affairs of W. P. Gregory at July 20, 1965, being an unaudited statement with explanatory notes attached, prepared by Mr. Gregory for the Bank.
4340. Seven-page schedule prepared by Touche, Ross, Bailey & Smart setting out W. P. Gregory's trading between 1960 and 1965 in Analogue Controls, Canadian Chemical Co., Commodore Business Machines, Inter-Provincial Steel & Pipe, and Atlantic Acceptance Corporation".
4341. Six-page handwritten schedule prepared by Touche, Ross, Bailey & Smart setting out holdings in British Mortgage & Trust Company of members of the Gregory family.
4342. Working paper entitled "British Mortgage & Trust Company, Disposal of Atlantic Acceptance Investments June 30 to July 15, 1965".
4343. Schedule prepared by A. W. Moreton entitled "British Mortgage & Trust Company, Results if Shares in Atlantic Acceptance Had Been Treated as a Group and Apportioned Between the Company, the Loan Account and Estates, Trusts and Agencies".
- 851.1 Photostatic copy of promissory note, from file of Solomon, Singer & Solway, dated October 10, 1962, payable to Aurora Leasing Corporation Limited in amount of \$224,402.50 from Commodore Business Machines (Canada) Limited.
- 846.1 Photostatic copy of letter dated January 29, 1963 to Aurora Leasing Corporation Limited from Solomon, Singer & Rosen enclosing

*Exhibit  
No.*

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- promissory note in amount of \$150,000 payable to Aurora Leasing from Camerina Petroleum Corporation, originally held by C. M. Solomon, trustee for British Mortgage, as security for loan of \$250,000 from British Mortgage to Aurora Leasing. Receipt of note is acknowledged by Harry Wagman for Aurora Leasing on bottom of letter.
- 851.2 Receipt, from files of Solomon, Singer & Solway, dated January 7, 1963, on letterhead of Aurora Leasing Corporation Limited for signature by Carl M. Solomon acknowledging that he holds, as trustee for British Mortgage, a promissory note in amount of \$224,402.50 from Commodore Business Machines to Aurora Leasing, as security for a loan of \$250,000 from British Mortgage to Aurora Leasing.
4347. Letter, from files of British Mortgage & Trust Company, dated May 8, 1963 to Wilfrid P. Gregory, Q.C. British Mortgage & Trust Company from Aurora Leasing Corporation Limited asking for return of their promissory note dated January 4, 1963 in amount of \$250,000 which had been renewed by note dated April 4, 1963 and also asking for due date on note dated January 29, 1963 for loan in amount of \$250,000.
- 851.3 Receipt, from files of Solomon, Singer & Solway, dated 3 April, 1963, to Aurora Leasing Corporation Limited signed by Carl M. Solomon for promissory note dated January 31, 1963 in amount of \$435,000 payable to Aurora Leasing from N. G. K. Investments Limited, which note is held by C. Solomon as trustee for British Mortgage being security for a loan of \$250,000 to Aurora Leasing.
- 851.4 Promissory note from file of Solomon, Singer & Solway, dated January 31, 1963 to Aurora Leasing Corporation Limited from N. G. K. Investments Limited, signed by C. P. Morgan, in amount of \$435,000.
4350. Transcript of examination of R. G. Calladine in bankruptcy of Belfield Investments Limited, April 14, 1965.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4351.	Five-page schedule prepared by Mr. Walker entitled "British Mortgage & Trust Company, Analysis of Advances of Principal against Securedness of Mortgages, Leaseholds and Real Property as at October 31, 1960 to 1964 inclusive and July 19, 1965".	4359.	File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re British Mortgage & Trust Company—Branch: Exeter—Working papers, examination of British Mortgage & Trust Company on July 19, 1965.
4352.	File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re: British Mortgage & Trust Company—File no. 1 of 6, reports and trial balances, examination of British Mortgage & Trust Company on July 19, 1965.	4360.	File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re British Mortgage & Trust Company—Branch: Gode-rich, working papers, examination of British Mortgage & Trust Company on July 19, 1965.
4353.	File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re: British Mortgage & Trust Company—File no. 2 of 6, working papers "B" to "C", examination of British Mortgage & Trust Company on July 19, 1965.	4361.	File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re British Mortgage & Trust Company—Branch: Han-over, working papers, examination of British Mortgage & Trust Company on July 19, 1965.
4354.	File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re: British Mortgage & Trust Company—File no. 3 of 6, working papers "D" to "H 38", examination of British Mortgage & Trust Company on July 19, 1965.	4362.	File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re British Mortgage & Trust Company—Branch: Lis-towel, working papers, examination of British Mortgage & Trust Company on July 19, 1965.
4355.	File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re: British Mortgage & Trust Company—File no. 4 of 6, working papers "H 39" to "108", examination of British Mortgage & Trust Company on July 19, 1965.	4363.	File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re British Mortgage & Trust Company—Branch: 2200 Yonge Street, working papers, examination of accounts, British Mortgage & Trust Company on July 19, 1965.
4356.	File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re British Mortgage & Trust Company—File no. 5 of 6, working papers "T" to "X", examination of British Mortgage & Trust Company on July 19, 1965.	4364.	File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re British Mortgage & Trust Company—Branch: 635 College Street, working papers, examination of British Mortgage & Trust Company on July 19, 1965.
4357.	File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re British Mortgage & Trust Company—File no. 6 of 6, working papers general (of limited value), examination of British Mortgage & Trust Company on July 19, 1965.	4365.	File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re British Mortgage & Trust Company—Branch: 1887 Eglinton Avenue, working papers, examination of British Mortgage & Trust Company on July 19, 1965.
4358.	File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re British Mortgage & Trust Company—Branch: St Mary's—Working papers, examination of British Mortgage & Trust Company on July 19, 1965.	4366.	File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re British Mortgage & Trust Company—Branch: 2267 Bloor Street West, working papers, examination of British Mortgage & Trust Company on July 19, 1965.
		4367.	File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re British Mortgage

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- & Trust Company—Branch: 1520 Danforth Avenue, working papers, examination of accounts, British Mortgage & Trust Company on July 19, 1965.
4368. File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re British Mortgage & Trust Company—Branch: Port Credit, working papers, examination of accounts, British Mortgage & Trust Company on July 19, 1965.
4369. File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re British Mortgage & Trust Company—Branch: Newmarket, working papers, examination of British Mortgage & Trust Company on July 19, 1965.
4370. File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re British Mortgage & Trust Company—Branch: Richmond Hill, working papers, examination of accounts, British Mortgage & Trust Company on July 19, 1965.
4371. File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re British Mortgage & Trust Company — Branch: Brampton, working papers, examination of British Mortgage & Trust Company on July 19, 1965.
4372. File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re British Mortgage & Trust Company—Branch: executive office, 4 King Street West, Toronto — working papers and photostats, examination of British Mortgage & Trust Company on July 19, 1965.
4373. File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re British Mortgage & Trust Company—Correspondence and memorandum file from July 17, 1965 to October 8, 1965.
4374. File from office of Peat, Marwick, Mitchell & Company—Report to Denison Mines re British Mortgage & Trust Company—Correspondence and memorandum file, also containing newspaper clippings dated from July 13, 1965 to October 4, 1965.
4375. Copy of report of Peat, Marwick, Mitchell & Company, dated August 19, 1965 to the board of directors of Denison Mines Limited.

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4376. Schedule prepared by Mr. Walker entitled "Belfield Investments Limited and Associated Companies, Schedule showing Relationship at January 31, 1964, of Loans by Aurora Leasing Corporation Limited and Charges Superior in Rank to Those Loans to Valuation of Relative Properties by L. W. Facey."
4377. Survey of part of Lots 24 and 25, Concession 1, from the Humber, Township of Etobicoke re buildings owned by Indus Investments Limited and Surpass Investments Limited.
4378. Application, from files of British Mortgage & Trust Company, made by William Arthur Pike to British Mortgage & Trust Company, for a loan of \$35,000 on property at Graham & Maple Streets in West Lorne, dated 26 March 1962.
4379. Certified abstract of title, from Registry Office, Registry Division of County of Dundas, pertaining to Lot Nos. 19 and 20, Plan 107, Village of West Lorne, commencing with Instrument No. 10921 registered September 9, 1891 and closing with Instrument No. 107941 registered July 15, 1965.
4380. Photostatic copy of file of Anderson, Neilson, Ehgoetz, Bell, Dilks & Misener, Solicitors, re agreement of purchase and sale of property in West Lorne between William Pike and Albert Hazelwood.
- 4380.1 Photostatic copy from file of Anderson, Neilson, Ehgoetz, Bell, Dilks & Misener, of agreement of purchase and sale between W. Pike and A. Hazelwood, dated 22 November, 1961, by which W. Pike agrees to purchase Lots 19 and 20, Plan 107, Village of West Lorne at price of \$46,000 from A. Hazelwood.
- 4380.2 Photostatic copy of letter dated May 30, 1962 from Anderson, Neilson, Ehgoetz, Bell, Dilks & Misener to Mr. William A. Pike, British Mortgage & Trust Company, reporting on the purchase of the property in West Lorne and enclosing a statement of adjustments relating to the purchase by W. H. Pike from A. Hazelwood and a statement of adjustment relating to sale by W. A. Pike to British Mortgage & Trust Company as Trustee.



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4383.	Certified photostatic copy, received from Victoria and Grey Trust Company, of two cheques drawn on account no. 10330 at British Mortgage & Trust Company signed by W. P. Gregory, dated March 30, 1962, first cheque payable to Anderson, Neilson & Co. in amount of \$10,000 and the second cheque payable to W. A. Pike in amount of \$1,000.		Gaffney Construction Company Limited improved pension trust.
4384.	Photostatic copy of card or ledger sheet from the files of Anderson, Neilson, Ehgoetz, Bell, Dilks & Misener, showing a \$10,000 credit to their trust account on March 30, 1962 with particulars "By ch. W. P. Gregory".	3706.1	Letter, received from Mr. R. E. Hart, dated May 31, 1962 from W. A. Pike to R. E. Hart enclosing cheque in amount of \$3,479.38 being Mr. Hart's share in sale of I.G.A. store on West Lorne property.
4385.	Photostatic copy of letter, from files of British Mortgage & Trust Company, addressed to British Mortgage & Trust Company dated May 1, 1962, from John Gaffney Construction Company Limited, signed by O. J. Gaffney instructing British Mortgage & Trust Company to acquire the West Lorne property at the price of \$52,000 as an investment for the company's pension fund.	3706.2	Handwritten memorandum, received from Mr. Hart, dated July 17, 1961 on letterhead of British Mortgage & Trust Company being a declaration signed by R. A. Palmer stating that he holds all rights, title and interest of, in and to the property being built for I.G.A. in Forest, Ontario, in trust for W. P. Gregory, R. E. Hart and W. A. Pike in addition to himself, all four sharing equally.
4386.	Certified photostatic copy, received from Victoria and Grey Trust Company of ledger cards for account no. 24427 in name of W. A. Pike at British Mortgage & Trust Company covering the period July 1954 to November 1962.	3706.3	Handwritten memorandum, received from Mr. Hart, dated July 17, 1961 on letterhead of British Mortgage & Trust Company being a declaration signed by W. P. Gregory, stating that he holds all right, title and interest of, in and to the property being built for I.G.A. in Owen Sound, Ontario, in trust for R. Hart, W. A. Pike and R. A. Palmer in addition to himself, all four sharing equally.
4387.	Certified photostatic copy received from Victoria and Grey Trust Company, of ledger cards for account no. 7 in name of W. A. Pike at British Mortgage & Trust Company covering the period January 1960 to April 1966.	4393.	Certified abstract of title from Registry Office, Registry Division of North Riding of County of Grey, pertaining to Lot No. 1 Plan 535 Township of Derby, (Owen Sound property) commencing with patent dated 17 January 1851 and closing with Instrument No. 77984 registered 16 April, 1963.
4388.	Certified photostatic copy, received from Victoria and Grey Trust Company, of ledger card for account no. 17,213A in name of W. A. Pike at British Mortgage & Trust Company covering period April 18, 1962 to November 1, 1962.	4394.	File of Marron & Keon, Solicitors, Owen Sound re purchase and subsequent sale of property, referred to in Exhibit No. 4393, by Mr. W. P. Gregory.
4380.3	Letter, from file of Anderson, Neilson, Ehgoetz, Bell, Dilks & Misener, from British Mortgage & Trust Company to Anderson, Neilson & Co., dated May 18, 1962, requesting them to act on behalf of British Mortgage in the purchase of the West Lorne property from W. A. Pike as an Investment for John	4394.1	Letter, from file of Marron & Keon, from W. A. Pike, British Mortgage & Trust Company to Messrs. Marron & Keon, Solicitors, Owen Sound, dated November 27, 1961 requesting that Marron & Keon act for Mr. Gregory in the purchase of the property in Owen Sound.
		4394.2	Letter, from file of Marron & Keon, dated November 30, 1961 from Commodore Sales Acceptance Limited to Marron & Keon, Solicitors,

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Owen Sound enclosing cheque in the amount of \$131,000, forwarded on request of W. P. Gregory for purpose of closing transaction with regard to purchase of the I.G.A. store, Owen Sound.

4397. Certified photostatic copy, received from Victoria and Grey Trust Company, of two cheques drawn on account no. 10330 at British Mortgage & Trust Company, signed by W. P. Gregory, the first cheque dated August 3, 1961 payable to W. A. Pike in amount of \$2,000, with notation "re I.G.A." and the second cheque dated March 2, 1962 in amount of \$134.85 payable to Marron & Keon.
4398. Certified photostatic copy, received from Victoria and Grey Trust Company, of cheque drawn on account no. 7 at British Mortgage & Trust Company signed by W. A. Pike, dated August 9, 1961, in amount of \$2,000 payable to Stanley Kazman.
4399. Certified photostatic copy, received from Victoria and Grey Trust Company, of ledger cards for account no. 10330 in name of W. P. Gregory at British Mortgage & Trust Company covering the period August 5, 1958 to April 27, 1965.
4400. Certified copy, received from Canadian Imperial Bank of Commerce, of ledger cards for current account in name of W. P. Gregory at Canadian Imperial Bank of Commerce, Stratford covering the period February 1960 to December 1965.
4401. Certified true copies, received from Canadian Imperial Bank of Commerce, of 35 pages of correspondence between Stratford Branch of Canadian Imperial Bank of Commerce and the Head Office, Toronto re applications for renewal credit for W. P. Gregory covering the period October 13, 1960 to March 8, 1965.
4402. Certified true copies, received from Canadian Imperial Bank of Commerce, of credit correspondence, collateral security cards, liability ledger cards, hypothecation of securities forms, and statement of affairs for account of W. P. Gregory at Canadian Imperial Bank of Commerce, 25 King Street West, Toronto covering period January 1963 to December 1966.

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- 4394.3 Carbon copy, from file of Marron & Keon, of letter dated February 15, 1962 from Marron & Keon to Atlantic Acceptance Corporation Limited enclosing two cheques payable to Atlantic Acceptance in amounts of \$51,215.14 and \$83,296 re Gregory sale to Midland Distributors Limited.
4404. Photostatic copy of letter dated February 15, 1962 from Commodore Sales Acceptance Limited to W. P. Gregory acknowledging receipt of cheques totalling \$134,511.14 from Marron & Keon and enclosing cheque in refund of \$3,116.98 and original promissory note from W. P. Gregory for \$132,500.
- 4394.4 Carbon copy, from file of Marron & Keon, of reporting letter dated February 27, 1962 from Marron & Keon to W. P. Gregory enclosing cheque in amount of \$1,054.17 being rent for December 1961 for Owen Sound property and a statement of adjustments in respect of sale of the property to Midland Distributors Limited.
4406. Photostatic copy, received from Marron & Keon, of statement of account dated February 27, 1962 from Marron & Keon to W. P. Gregory in amount of \$1,806.25, amended in handwriting to \$1,188.85, for disbursements and fees re W. P. Gregory purchase of Owen Sound property from Dising Limited and subsequent sale to Midland Distributors Limited.
- 4394.5 Letter, from file of Marron & Keon, dated March 2, 1962, from W. P. Gregory to Marron & Keon enclosing payment of their account in amount of \$1,188.85 for fees and disbursements re purchase and sale of Owen Sound property, account having been amended to allow Mr. Gregory half fees because of his status as a solicitor.
4408. Cheque of British Mortgage & Trust Company dated March 23, 1962, payable to W. P. Gregory in amount of \$5,000 and deposited in Mr. Gregory's account at British Mortgage.
4409. Cheque of Commodore Sales Acceptance Limited, dated February 16, 1962, payable to Wilfrid P. Gregory in amount of \$3,116.98.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4410.	Cheque of Marron & Keon, in trust, dated December 6, 1961, payable to Wilfrid P. Gregory, in amount of \$1,054.17, endorsed by W. P. Gregory on reverse "Pay to order of Marron & Keon".		from G. D. Bowman, Toronto office, British Mortgage & Trust Company, to W. A. Pike, head office, dated December 12, 1963 enclosing mortgage application of Tip Top Tailors Limited together with financial statement and valuation of property to be mortgaged.
4411.	Three-page schedule prepared by Mr. Walker entitled "British Mortgage & Trust Company, Transactions involving I.G.A. Stores at Owen Sound and West Lorne by W. P. Gregory, W. A. Pike, R. E. Hart and R. A. Palmer".	4418.	Photostatic copy of loan application form, Tip Top Tailors Limited to British Mortgage & Trust Company, dated December 9, 1963, obtained from Victoria and Grey Trust Company, application by Tip Top Tailors Limited for a loan of \$500,000 for ten years at 7½%.
4412.	Certified photostatic copy, received from Victoria and Grey Trust Company, of three cheques all dated May 30, 1962 drawn on account no. 17213A at British Mortgage & Trust Company signed by W. A. Pike, first cheque payable to W. P. Gregory in amount of \$6,527.51, second cheque payable to R. A. Palmer in amount of \$3,479.38 and the third cheque payable to R. E. Hart in amount of \$3,479.38.	4419.	Annual report of Tip Top Tailors Limited for fiscal year ended March 2, 1963.
4413.	Schedule prepared by Mr. Walker entitled "Calculation of Net Profit of W. P. Gregory and W. A. Pike relating to I.G.A. Stores at West Lorne and Owen Sound".	4420.	Annual report of Tip Top Tailors Limited for fiscal year ended February 29, 1964.
4414.	Certified copy, received from Victoria and Grey Trust Company, of cheque dated July 14, 1961 drawn on account no. 24427 at the British Mortgage & Trust Corporation of Ontario signed by W. A. Pike payable to W. P. Gregory in amount of \$1,000.	4421.	Annual report of Tip Top Tailors Limited for fiscal year ended February 27, 1965.
4415.	Photostatic copy, received from Victoria and Grey Trust Company, of memorandum dated December 2, 1963 from W. A. Pike, head office, British Mortgage & Trust Company to George Bowman, Toronto office re application of Tip Top Tailors Limited for loan.	4422.	Annual report of Tip Top Tailors Limited as at July 30, 1966.
4416.	Photostatic copy of three-page letter received from Victoria and Grey Trust Company, on the letterhead of Tip Top Tailors Limited dated December 9, 1963 addressed to British Mortgage & Trust Company, 2200 Yonge St., Toronto, attention G. D. Bowman, enclosing application for a \$500,000 mortgage over 10 years at 7½%.	4423.	Photostatic copy, received from Victoria and Grey Trust Company, of memorandum dated January 6, 1964, G. D. Bowman, Toronto office, British Mortgage & Trust Company, to W. A. Pike, head office, enclosing application of Tip Top Tailors Limited for increase of \$500,000 over the original approved \$500,000 loan with recommendation of Mr. Bowman for approval of the increase on a re-evaluation of the property at \$1,500,000.
4417.	Photostatic copy of three-page memorandum received from Victoria and Grey Trust Company,	4424.	Photostatic copy, received from Victoria and Grey Trust Company, of letter from A. C. Duncan, S.R.A., Appraisal Consultant, dated January 10, 1964 to British Mortgage & Trust Company, Stratford, attention W. A. Pike estimating marketing value of property of Tip Top Tailors Limited at \$1,700,000.
		4425.	Photostatic copy, received from Victoria and Grey Trust Company, of application form of Tip Top Tailors Limited, dated January 2, 1964 for loan of \$1,000,000 for ten years at 8½% interest.
		4426.	Photostatic copy, received from Victoria and Grey Trust Company, of two-page document of British



<i>Exhibit No.</i>	<i>Description</i>
	Mortgage & Trust Company, dated 26 February, 1964, signed by W. H. Gregory, Chairman of the board and W. P. Gregory, President, certifying that British Mortgage holds in trust for Aurora Leasing Corporation Limited the sum of \$100,000 received from Aurora Leasing for investment in Tip Top Tailors Limited mortgage.
4427.	Photostatic copy of mortgage ledger card, received from Victoria and Grey Trust Company, for account no. 15801, in name of Tip Top Tailors Limited covering period January 21, 1964 to March 1, 1966.
4428.	Photostatic copy, received from Victoria and Grey Trust Company, of cash disbursements sheet no. 8385 from records of British Mortgage & Trust Company for February 19 and 20, 1964.
4429.	Photostatic copy, received from Victoria and Grey Trust Company, of accounting sheet no. 8610 from register of receipts of British Mortgage & Trust Company, showing entry of \$100,000 re Tip Top Tailors and Aurora Leasing.
4430.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger card of British Mortgage & Trust Corporation of Ontario, entitled "Aurora Leasing Corporation Limited" covering period March 19, 1964 to May 3, 1965.
4431.	Schedule prepared by Mr. Walker entitled "Cost to British Mortgage & Trust Company of Participation of Aurora Leasing Corporation Limited in Mortgage to Tip Top Tailors Limited".
4432.	Schedule prepared by Mr. Walker entitled "Dale Estate, Limited and Calvert-Dale Estates Limited (The Dale Estate Limited), Corporate Information".
4433.	Schedule prepared by Mr. Walker entitled "Dale Estate, Limited and the Dale Estate Limited, Summary of Significant Events for the period 25 July, 1961 to 3 March, 1965".
4434.	File, obtained from offices of Solomon, Singer & Solway, entitled "William L. Walton, Draft Option Agreement file number 790".
4434.1	Original letter, from file of Solomon, Singer & Solway, dated Sep-

<i>Exhibit No.</i>	<i>Description</i>
	tember 26, 1961 from William L. Walton to Carl Solomon with attached list of shareholders of The Dale Estate Limited who have granted an option to C. P. Morgan to purchase their shares. Also attached is a copy of the option purchase agreement.
4436.	Certified copies of documents on file in office of Registrar General and Registrar of Companies of the Bahama Islands re Oceanic Investment Company Limited.
1697.1	Original letter, from files of Walton, Wagman & Co., dated October 19, 1961 from C. M. Solomon, Solomon & Samuel, to Oceanic Investment Company Limited reporting on acquisition of all issued and outstanding capital stock of The Dale Estate Limited on behalf of Oceanic Investment.
4438.	Schedule prepared by Mr. Walker entitled "Oceanic Investment Company Limited, Source and Disposition of Funds involved in Purchase and Sale of Shares in Dale Estate, Limited".
4439.	Schedule prepared by Mr. Walker entitled "Yarrum Investments Limited (formerly Colonial Sundry Wholesalers Limited), Corporate Information".
1697.2	Original demand promissory note, from files of Walton, Wagman & Co., dated October 19, 1961 in amount of \$640,000 from Colonial Sundry Wholesalers Limited, signed by W. L. Walton and Harry Wagman, to the Toronto-Dominion Bank.
1697.3	Receipt, from files of Walton, Wagman & Co., from Toronto-Dominion Bank to Colonial Sundry Wholesalers Limited for 1,786 shares of The Dale Estate Limited, par value \$100 each, registered in name of Carl M. Solomon (in trust) together with executed power of attorney to transfer shares signed by W. L. Walton and Harry Wagman for Yarrum Investments Limited.
1697.4	Original ledger card, from files of Walton, Wagman & Co., for account of Colonial Sundry Wholesalers Limited at Toronto-Dominion Bank, King & Yonge Streets, covering the period October 19, 1961 to October 30, 1961.

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
1697.5	Cheque, from files of Walton, Wagman & Co., dated October 19, 1961, in amount of \$640,000 from Colonial Sundry Wholesalers Limited, payable to Carl M. Solomon, in trust.		gether, the first an original credit memo dated October 30, 1961 issued by Toronto-Dominion Bank, King & Yonge Streets branch, to Colonial Sundry Wholesalers Limited in the amount of \$640,000 with notation "Settlement: The Bank of Nova Scotia, Toronto, Ont." and attached a carbon copy of letter dated October 30, 1961 addressed to Toronto-Dominion Bank signed William L. Walton authorizing the Bank to deposit the amount of \$640,000, received from the Bank of Nova Scotia, Toronto, to account of Colonial Sundry Wholesalers Limited.
1045.3	Cheque, from files of Solomon & Singer, dated October 19, 1961 from Solomon & Samuel trust account at Canadian Bank of Commerce payable to Commodore Sales Acceptance Limited in amount of \$640,000.	764.1	Carbon copy of ledger card, received from Guaranty Trust Company for account no. 9771 in name of Walton, Wagman & Co. (trust account) covering the period November 1, 1961 to November 30, 1961.
1697.6	Cheque, from files of Walton, Wagman & Co., dated October 25, 1961 from Colonial Sundry Wholesalers Limited to Bank of Nova Scotia Trust Company (Bahamas) Limited in amount of \$640,000.	765.1	Original deposit slip, received from Guaranty Trust Company, for account no. 9771 in name of Walton, Wagman & Company (trust account) at the Guaranty Trust Company of Canada, dated November 1, 1961 showing deposit of cheque from Bank of Nova Scotia in amount of \$125,000.
4446.	Certified true copy, received from Bank of Nova Scotia, of ledger card of the Bank of Nova Scotia for account of Bank of Nova Scotia Trust Company (Bahamas) Limited covering the period September 29, 1961 to October 31, 1961.	4454.	Certified true copy, received from Bank of Nova Scotia, of ledger card for account of the Bank of Nova Scotia Trust Company (Bahamas) Limited at the Bank of Nova Scotia covering the period October 31, 1961 to November 24, 1961.
4447.	Photostatic copy of cheque no. 4128 dated October 24, 1961 from Federal Distributors Limited to Bank of Nova Scotia Trust Company (Bahamas) Limited in amount of \$481,600.	4434.2	Statement of account, from file of Solomon, Singer & Solway, rendered by L. Murray Eades, Solicitor, to Oceanic Investments Limited, c/o Solomon & Samuel, for professional services, dated December 15, 1961 in amount of \$1,875.
4448.	Certified cheque, obtained from records of Annett & Company Limited, dated October 23, 1961 from Annett & Company Limited to Bank of Nova Scotia Trust Company (Bahamas) Limited in amount of \$481,600.	1045.4	Cheque no. 0929, from files of Solomon & Singer, dated December 19, 1961, drawn on trust account of Solomon & Samuel payable to L. Murray Eades in amount of \$1,875.
4449.	Certified true copy, received from Toronto-Dominion Bank, of call loan sheet showing loan of \$481,600 to Annett & Company Limited from Toronto-Dominion Bank on security of 1344 shares of The Dale Estate Limited with attached handwritten memorandum.	4457.	Certified true copy, received from Toronto-Dominion Bank, of ledger card for account of Mr. L. Murray Eades at the Toronto-Dominion Bank, 121 Richmond Street West, covering the period December 22, 1961 to December 28, 1961.
4450.	Certified photostatic copy, received from Bank of Nova Scotia, of deposit slip for account no. 140-726 in name of Commodore Sales Acceptance Limited at Bank of Nova Scotia dated October 27, 1961 showing deposit of cheque from Bank of Nova Scotia Trust Company in amount of \$825,000.		
1697.7	Two documents, from files of Walton, Wagman & Co., stapled to-		

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- 1697.8 Letter, from files of Walton, Wagman & Co., dated October 12, 1962 from Zaldin & Fine, Solicitors, to Walton, Wagman & Company reporting on the acquisition of The Dale Estate Limited by Annett & Company Limited, Yarrum Investments Limited and Federal Farms Limited with attached photostatic copy of financial statements of The Dale Estate Limited covering the period July 1, 1961 to April 9, 1962.
4459. Cheque, from file of Walton, Wagman & Co. dated January 19, 1962, from Hilltop Holdings Limited to Solomon & Samuel in trust in amount of \$10,000.
- 1702.1 Handwritten memorandum, from files of Walton, Wagman & Co., dated March 17, 1962, said to be in Mr. Walton's writing, entitled "Schedule re cost of Dale Shares".
4461. Schedule prepared by Mr. Walker entitled "The Dale Estate Limited—Chart showing transactions involving the 10,000 Shares in The Dale Estate Limited initially acquired by Carl M. Solomon (In Trust for Hilltop Holdings Limited) from Dale Estate, Limited".
4462. Certified true copies of six registry sheets obtained from Canada Permanent Trust Company for common shares of The Dale Estate Limited dated February 16, 1962 to December 4, 1964.
4463. Certified true copy, received from Canadian Imperial Bank of Commerce, of two-page stock and bond index, collateral or safekeeping record of Canadian Imperial Bank of Commerce relating to shares of The Dale Estate Limited held as security for advances to Dallas Holdings Limited and H. Wagman, W. L. Walton and C. P. Morgan.
4464. Printed copy of Toronto Stock Exchange listing statement for The Dale Estate Limited and attached copy of prospectus for 400,000 shares without par value of The Dale Estate Limited dated December 11, 1961.
4465. Schedule prepared by Mr. Walker entitled "Dale Estate, Limited, Analysis of Profits of the Three Sponsor Groups in the Acquisition and Reorganization of Dale Estate, Limited".

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4466. Photostatic copy, received from Victoria and Grey Trust Company, of mortgage application dated 26 October 1961, The Dale Estate Limited to British Mortgage & Trust Company, for loan of \$500,000 for 5 years at 7¼ %.
4467. Photostatic copy, received from Victoria and Grey Trust Company, of ledger cards for mortgage account no. 13947 of The Dale Estate Limited at British Mortgage & Trust Company for Mortgage of \$500,000 on real estate holdings in Brampton.
4468. Photostatic copy, received from Victoria and Grey Trust Company, of mortgage application dated 15 January, 1965, The Dale Estate Limited to British Mortgage & Trust Company for loan of \$400,000 for 15 years at 7½ %.
4469. Photostatic copy, received from Victoria and Grey Trust Company, of ledger cards for mortgage account no. 16840 of The Dale Estate Limited at British Mortgage & Trust Company for mortgage of \$400,000.
4470. Copy of agreement dated 29 January, 1965 between The Dale Estate Limited, British Mortgage & Trust Company, Montreal Trust Company and Walter E. Calvert Limited, with annexed schedule describing lands and premises owned by The Dale Estate Limited.
4471. Correspondence file no. 12745 of British Mortgage & Trust Company entitled "Janus Apartments" received from Victoria and Grey Trust Company.
- 4471.1 Mortgage application, from file of British Mortgage & Trust Company, dated 6 January, 1960, Janus Apartments Limited to British Mortgage & Trust Company for Loan of \$150,000 for nine months at 15 per cent.
- 4471.2 Carbon copy, from file of British Mortgage & Trust Company, of memorandum of agreement dated 25 January, 1960 executed under seal by Janus Apartments Limited which states that Janus Apartments has executed a first mortgage in favour of Central Mortgage & Housing Corporation in amount of \$853,666 and provides that any



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
	advances over \$600,000 from Central Mortgage & Housing to Janus Apartments shall be paid to British Mortgage in reduction of principal and accrued interest on second mortgage held by British Mortgage.		ments Limited, dated December 21, 1959, addressed to Hart Real Estate, enclosing photostatic copy of letter dated December 9, 1959 from Mortgage Underwriting Division of London Life Insurance Company approving a first mortgage loan of \$215,000 to Lincoln-Church Shopping Plaza Limited subject to certain conditions, with attached carbon copy of letter dated December 11, 1959 from H. R. Elmore to London Life Insurance Company accepting terms and conditions of mortgage offer.
4474.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 12745 of Janus Apartments Limited at British Mortgage & Trust Company for mortgage of \$150,000 on property at Fennel Ave. & East 14th Street, Hamilton.	4477.3	Mortgage application form from file of British Mortgage & Trust Company, blank on the face except for signature "H. R. Elmore", reverse side having the typewritten notation "\$320,000 at 15 per cent (increase \$110,000)" on property at Grantham Ave. and Church Rd., St. Catharines.
4475.	Schedule prepared by Mr. Walker entitled "British Mortgage & Trust Company, Advances to Lincoln-Church Shopping Plaza Limited Guaranteed by Hudson Roland Elmore".	4477.4	Letter, from file of British Mortgage & Trust Company, dated August 26, 1960 from H. R. Elmore Investments Limited to British Mortgage & Trust Company enclosing two-page photostatic copy of letter of commitment dated August 24, 1960 from Manufacturers Life Insurance Company to H. R. Elmore re purchase of Dominion Store at Grantham Ave. and Church Rd., St. Catharines.
4476.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re Lincoln-Church Shopping Plaza Limited.	4477.5	Mortgage application, from file of British Mortgage & Trust Company, Hudson R. Elmore to British Mortgage & Trust Company for loan of \$550,000 at 14 per cent on property at Grantham Ave. and Church Rd., St. Catharines with valuator's report dated May 19, 1961 on reverse side.
4477.	File of British Mortgage & Trust Company entitled "14270. Grantham and Church, St. Catharines" received from Victoria and Grey Trust Company.	4477.6	Mortgage application, from file of British Mortgage & Trust Company, undated, H. R. Elmore to British Mortgage & Trust Company for loan of \$700,000 for three years at 11 per cent on property at Grantham Ave. and Church Rd., St. Catharines.
4478.	File, obtained from the firm of Cavers, Chown, Cairns and Hicks, Solicitors, St. Catharines, entitled "2264. British Mortgage & Trust Company and Lincoln-Church Plaza Limited".	4487.	Certified abstract of title from Registry Office, Registry Division of County of Lincoln pertaining to part Lot 124, Corporation Plan No. 5, City of St. Catharines commencing with Instrument No. 50905 registered 29 January 1960 and closing with Instrument No. 152983 registered April 4, 1967.
4479.	File, obtained from the firm of Cavers, Chown, Cairns and Hicks, Solicitors, St. Catharines, entitled "2272. Elmore (Lincoln-Church Shopping Plaza Limited) and British Mortgage & Trust Company".		
4480.	File, obtained from the firm of Cavers, Chown, Cairns and Hicks, Solicitors, St. Catharines, entitled "4152. Lincoln-Church Plaza and British Mortgage & Trust Company".		
4477.1	Mortgage application from file of British Mortgage & Trust Company, dated 6 November, 1959, Hudson Roland Elmore to British Mortgage & Trust Company for loan of \$210,000 for seven months at 12 per cent on property at Grantham Ave. and Church Rd., St. Catharines.		
4477.2	Letter, from file of British Mortgage & Trust Company, on the letterhead of H. R. Elmore Invest-		

<i>Exhibit No.</i>	<i>Description</i>
4480.1	Carbon copy, from file of Cavers, Chown, Cairns & Hicks, of letter dated July 6, 1962 from Cavers, Chown, Cairns & Hicks to Harries, Houser, Brown & Houlden enclosing trust cheque in amount of \$149,163.45 to discharge three mortgages from Lincoln-Church Shopping Plaza Limited to Frederick Burton, Mercantile Bank of Canada, and Lesbury Limited. Attached is registered letter dated July 9, 1962 from Harries, Houser & Co. to Cavers, Chown & Co., enclosing the three mortgages and executed discharges.
4477.7	Letter, from file of British Mortgage & Trust Company, dated January 16, 1962 from H. R. Elmore Investments Limited to W. A. Pike, British Mortgage & Trust Company, Stratford re offer by Canadian General Electric Pension Trust to purchase Lincoln-Church Shopping Plaza for \$830,000.
4477.8	Original (unsigned) and signed carbon copy of letter, from file of British Mortgage & Trust Company, dated February 2, 1962, H. R. Elmore Investments Limited to W. A. Pike, British Mortgage & Trust Company, Stratford, submitting proposal that British Mortgage purchase the Lincoln-Church Shopping Plaza and lease it back to H. R. Elmore Investments. Attached is handwritten memorandum with notation "It's very illegal for us to buy and lease back to Elmore. Sounds good tho'".
4477.9	Letter, from file of British Mortgage & Trust Company, dated February 9, 1962 from H. R. Elmore Investments Limited to W. A. Pike, British Mortgage & Trust Company, Stratford, expanding the proposal that British Mortgage purchase the Lincoln-Church Shopping Plaza and providing the reasons behind the application.
4480.2	Letter, from file of Cavers, Chown, Cairns & Hicks on letterhead of H. R. Elmore Investments Limited dated 31 March, 1962, addressed to Messrs. Cavers, Chown, Cairns & Hicks enclosing letter from British Mortgage and copy of offer from Canadian General Electric Pension Trust to purchase Lincoln-Church Shopping Plaza.

<i>Exhibit No.</i>	<i>Description</i>
4493.	Executed carbon copy of indenture, received from Cavers, Chown, Cairns & Hicks dated 25 June, 1962 between Lincoln-Church Shopping Plaza Limited and British Mortgage & Trust Company, being an assignment of agreement dated 28 December, 1961, between Lincoln-Church Shopping Plaza Limited and Electric Pension Realty Company Limited for purchase and sale of the shopping plaza.
4494.	Three-page letter on the letterhead of Canadian General Electric Pension Trust dated August 12, 1966, addressed to The Royal Commission on Atlantic Acceptance Corporation Limited outlining steps pertaining to proposed purchase on a lease-back basis of a Dominion Store supermarket in St. Catharines from Hudson R. Elmore as recorded in the minutes of Canadian General Electric Pension Trust.
4495.	Correspondence file no. 13598 of British Mortgage & Trust Company entitled "Grand River Terrace" received from Victoria and Grey Trust Company.
4496.	Certified copy of documents on file in the Department of the Provincial Secretary for Ontario re Grand River Terrace Apartment (Building no. 1) Limited.
4497.	Photostatic copy of ledger card, received from Victoria and Grey Trust Company for mortgage account no. 13260 of Hudson R. Elmore "In Trust" at British Mortgage & Trust Company for mortgage of \$200,000 on property at Lynnwood Dr. & Pauline Johnson Dr., Brantford.
4495.1	Two-page document, from file of British Mortgage & Trust Company, dated September 29, 1960, being an Approval of Loan from Montreal Trust Company to H. R. Elmore "In Trust" in amount of \$300,000 for twenty years at 7¼ per cent on a six storey apartment building.
4499.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 13598 of Hudson R. Elmore at British Mortgage & Trust Company for mortgage of \$285,000 on property known as Grand River Terrace Apartments, Brantford.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4500.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 17530 of Mohawk Towers (Brantford) Limited at British Mortgage & Trust Company for mortgage of \$400,000 on property at 27 Linwood Dr., Brantford.		British Mortgage & Trust Company re H. R. Elmore Investments Limited—Mortgage on Plan 974, Brantford—Fairview Gardens Subdivision.
4501.	File of British Mortgage & Trust Company no. 13450 containing documents relating to the Elmore blanket mortgage, received from Victoria and Grey Trust Company.	4509.	File of British Mortgage & Trust Company no. 14258, entitled "Queenston Road", received from Victoria and Grey Trust Company.
4502.	File of British Mortgage & Trust Company no. 13450 containing documents relating to Elmore blanket mortgage, received from Victoria and Grey Trust Company.	4509.1	Mortgage application, received from Victoria and Grey Trust Company, dated 27 February, 1962, Hudson R. Elmore to British Mortgage & Trust Company for loan of \$50,000 at 12 per cent on property on Queenston Road, Hamilton.
4503.	Photostatic copy, received from Victoria and Grey Trust Company, of mortgage application dated 30 January, 1961 Hudson R. Elmore to British Mortgage & Trust Company for loan of \$160,000 for one year to be blanket first and second mortgages on vacant land and houses.	4511.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 14258 of Hudson R. Elmore at British Mortgage & Trust Company for mortgage of \$50,000 on property on Queenston Road, Hamilton.
4504.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account of Hudson R. Elmore at British Mortgage & Trust Company covering the period February 27, 1961 to September 13, 1965.	4509.2	Letter, from file of British Mortgage & Trust Company, dated June 13, 1962 from Christilaw, Gage, Wigle & Stanger, Solicitors, Hamilton to Mortgage Department of British Mortgage & Trust Company enclosing duplicate registered copy of mortgage no. 201105 H. L. from Hudson R. Elmore to British Mortgage securing the sum of \$50,000 and advising that title to property on Queenston Rd. Hamilton has been searched and found to be free and clear of encumbrances with exception of first and second mortgages of F. Burton and Royal Bank of Canada respectively, said Mortgages to be discharged out of proceeds of mortgage loan from British Mortgage.
4505.	File of British Mortgage & Trust Company entitled "Fairview Gardens Subdivision, Brantford, 1963 and end of 1964" received from Victoria and Grey Trust Company.	4509.3	Letter, from file of British Mortgage & Trust Company, with statement of adjustments and statement of account from Anderson, Neilson, Ehgoetz, Bell, Dilks & Misener, dated February 12, 1965 to British Mortgage & Trust Company re sale part Lot 29, Queenston Road, Hamilton to Hampstead Holdings Limited (Wein).
4506.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re H. R. Elmore Investments Limited.	4514.	File of British Mortgage & Trust Company entitled "Interim 1962, Correspondence, Ottawa" received from Victoria and Grey Trust Company.
4507.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 13525 of H. R. Elmore Investments Limited at British Mortgage & Trust Company for loan of \$344,000 on property described as Fairview Subdivision, Brantford.		
4501.1	Four-page letter, from file of British Mortgage & Trust Company, from Anderson, Neilson, Ehgoetz, Bell, Dilks & Misener, Solicitors, Stratford, dated March 8, 1963, to		



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4515. File of British Mortgage & Trust Company entitled "Interim 1963, Correspondence, Ottawa" received from Victoria and Grey Trust Company.
4516. Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re Interim Building Credits Limited.
4517. Mortgage application, received from Victoria and Grey Trust Company, unsigned and undated, Interim Building Credits Limited to British Mortgage & Trust Company for loan of \$217,416 at 9 per cent on property in townships of Cumberland and Gloucester to east of Ottawa.
4518. Photostatic copy, received from Christilaw, Gage, Wigle & Stanger, dated June 26, 1962 rendered to H. R. Elmore Investments Limited, by Christilaw, Gage, Wigle & Stanger, with statement of adjustments as of 11 June, 1962 attached, relating to purchase of property in Ottawa from Marling Estates Limited.
4519. Schedule prepared by Mr. Walker entitled "British Mortgage & Trust Company, Advances to Interim Building Credits Limited for the period February 28, 1962 to December 3, 1964".
- 4514.1 Carbon copy of two-page letter, from file of British Mortgage & Trust Company, dated June 5, 1962, addressed to Christilaw, Gage, Wigle & Stanger from W. A. Pike, British Mortgage & Trust Company requesting the solicitors to act for British Mortgage & Trust Company in obtaining the necessary papers regarding loans approved for Interim Building Credits Limited in Ottawa area.
- 4514.2 Letter, from file of British Mortgage & Trust Company, from Christilaw, Gage, Wigle & Stanger to British Mortgage & Trust Company dated July 30, 1962 enclosing seventy-six registered mortgages from H. R. Elmore Investments Limited to Interim Building Credits Limited and assignments of all these mortgages from Interim Building Credits Limited to British Mortgage & Trust Company.
4522. Mortgage application form, received from Victoria and Grey

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- Trust Company, blank on application side, reverse side showing application for loan by Interim Building Credits Limited, Ottawa accepted by British Mortgage & Trust Company in amount of \$855,065 at 9½ per cent, dated June 26, 1962.
4523. Photostatic copy of three ledger cards, received from Victoria and Grey Trust Company, for mortgage account nos. 14082 and 14296, Interim Building Credits Limited at British Mortgage & Trust Company for mortgage of \$855,065 on property in Ottawa.
4524. Photostatic copy received from Christilaw, Gage, Wigle & Stanger, on two-page account dated July 6, 1962 rendered by Christilaw, Gage, Wigle & Stanger to H. R. Elmore Investments Limited with attached statement of adjustments relating to purchase of property in Ottawa from Parks and Gardens Home Development Limited.
- 4514.3 Letter, from file of British Mortgage & Trust Company, dated February 24, 1962 to W. A. Pike, British Mortgage & Trust Company from H. R. Elmore advising that the Canadian Imperial Bank of Commerce will set up a \$500,000 head office credit for British Mortgage to use for investment with Interim Building Credits Limited. Attached is a carbon copy of letter from W. A. Pike to H. R. Elmore stating that at present British Mortgage has no need of bank credit as they have more than sufficient funds to invest in temporary financing.
4526. Photostatic copies of three ledger sheets from records of Victoria and Grey Trust Company re property held for resale, account of Interim Building Credits Limited covering the period December 11, 1964 to March 17, 1967.
4527. Three-page schedule prepared by Mr. Walker entitled "Belfield Investments Limited and Associated Companies, Corporate Information".
4528. File received from Victoria and Grey Trust Company entitled "No. 14042, 70 Belfield Road" and bundle of documents relating to loan on property at 70 Belfield Rd.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4528.1	Mortgage application from file of Victoria and Grey Trust Company, dated 20 September, 1961, Belfield Investments Limited to British Mortgage & Trust Company for a loan of \$320,000 for fifteen years at 8 per cent on property on Belfield Rd., Etobicoke.		ledger card for mortgage account no. 14417 in name of 50 Belfield Road Limited, subsequently in name of Louis Weisfeld, at British Mortgage & Trust Company for loan of \$550,000 on property at 50 Belfield Rd., Etobicoke.
4530.	Photostatic copy received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 14042 in name of Belfield Investments Limited, at British Mortgage & Trust Company for loan of \$320,000 on property at 70 Belfield Rd., Etobicoke.	4533.1	Inter-office memo, from file of Victoria and Grey Trust Company, from L. W. Facey, Toronto Office, British Mortgage, to W. A. Pike, head office, dated January 27, 1964 with attached three-page carbon copy of letter from Mr. Facey to Mr. C. P. Morgan re additional financing of Belfield Investments Limited and participation of Aurora Leasing Corporation Limited in amount of \$850,000.
4531.	Printed copy of estimated statement of affairs of Belfield Investments Limited at October 7, 1964, obtained from Clarkson Company Limited.	4540.	Cancelled cheque, received from Victoria and Grey Trust Company, dated February 6, 1964 from British Mortgage & Trust Company to Shuyler & Ecclestone, solicitors, in amount of \$850,000 and deposited to trust account of Shuyler & Ecclestone.
4532.	Printed copy of three-page letter from the Clarkson Company Limited, dated October 15, 1964, addressed to the creditors of Belfield Investments Limited re proposal made under Part III of Bankruptcy Act by Belfield Investments Limited and attached Schedule A entitled "Belfield Investments Limited and Related Companies, Summary of Encumbrances on Properties at September 15, 1964".	4541.	Schedule prepared by Mr. Walker, entitled "British Mortgage & Trust Company, Cost to British Mortgage & Trust Company of participation of Aurora Leasing Corporation Limited in Advances to the Belfield Companies".
4533.	File, received from Victoria and Grey Trust Company, entitled "No. 14417, 50 Belfield Rd.".	4542.	File, received from Victoria and Grey Trust Company, entitled "No. 15819, 60 Belfield Road, Rexdale".
4534.	Bundle of documents received from Victoria and Grey Trust Company relating to loan on property at 50 Belfield Road.	4543.	Bundle of documents, received from Victoria and Grey Trust Company, relating to loan on property at 60 Belfield Road, Rexdale.
4535.	Minute book of 50 Belfield Road Limited obtained from Mr. G. R. Reisman, trustee for 50 Belfield Road Limited.	4542.1	Two-page letter, from file of Victoria and Grey Trust Company, dated April 18, 1962 to British Mortgage & Trust Company, Stratford from L. W. Facey, Toronto Mortgage Manager of British Mortgage & Trust Company, enclosing application of Belfield Investments Limited for loan of \$600,000 for twenty years at 8 per cent on multiple tenancy factory building on Belfield Rd., Etobicoke and giving a description of the property.
4536.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re 50 Belfield Road Limited.	4545.	Certified true copies, received from Victoria and Grey Trust Company of three mortgage account ledger sheets of British Mortgage & Trust Company; no. 14262 in name of
4534.1	Mortgage application, received from Victoria and Grey Trust Company, dated 8 June, 1962, 50 Belfield Road Limited to British Mortgage & Trust Company for a loan of \$550,000 for twenty years at 8 per cent on property at 50 Belfield Rd., Etobicoke.		
4538.	Photostatic copy, from files of Victoria and Grey Trust Company, of		

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- Belfield Investments Limited for loan of \$600,000; no. 14458 in name of 60 Belfield Road Limited for loan of \$600,000, shown as renewal of no. 14262; no. 14593 in name of 60 Belfield Road Limited for loan of \$650,000, renewal of no. 14458.
- 4542.2 Carbon copy, from file of Victoria and Grey Trust Company, of letter dated January 22, 1964 to Belfield Investments Limited, with initials W.A.P., advising that application for an increased first mortgage of \$900,000 on property at 60 Belfield Road, Rexdale has been approved subject to certain conditions. Attached is carbon copy of form of British Mortgage relating to repayment clause to mortgage on 60 Belfield Rd.
4547. Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 15819 in name of 60 Belfield Road Limited, subsequently in name of Louis Weisfeld, at British Mortgage & Trust Company for a loan of \$900,000 on property at 60 Belfield Rd., Rexdale.
4548. File, received from Victoria and Grey Trust Company, entitled "No. 14674, Belfield Road 'A' Indus Limited".
4549. Documents, received from Victoria and Grey Trust Company, relating to loan on property at Belfield Rd. and Hwy. 27, Etobicoke.
4550. Minute book of Indus Investments Limited.
- 4548.1 Mortgage application, from file of Victoria and Grey Trust Company, dated 6 December 1962, Indus Limited to British Mortgage & Trust Company for loan of \$532,000 for twenty years at 8 per cent on Building 'A', Belfield Rd. and Hwy. 27, Etobicoke.
4552. Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 14674, in name of Indus Investments Limited, subsequently in name of Louis Weisfeld, at British Mortgage & Trust Company for a loan of \$532,000 on property described as Building 'A', Belfield Rd. Etobicoke.

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4553. Certified true copy, received from Victoria and Grey Trust Company, of cheque no. G10226, from British Mortgage & Trust Company to Aurora Leasing Corporation Limited dated March 1, 1965 in amount of \$160,000.
4554. File, received from Victoria and Grey Trust Company, entitled "No. 14886, Belfield Road, 'B', Surpass Limited".
4555. Documents received from Victoria and Grey Trust Company, relating to loan on property described as Building B, Belfield Rd. and Hwy. 27, Etobicoke.
4556. Minute book of Surpass Investments Limited.
- 4554.1 Mortgage application, from file of Victoria and Grey Trust Company, dated 6 December, 1962, Surpass Limited to British Mortgage & Trust Company, for loan of \$508,000 for twenty years at 8 per cent on property described as Building B, Belfield Rd. and Hwy. 27, Etobicoke.
4558. Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 14886 in name of Surpass Investments Limited, subsequently in name of Louis Weisfeld, at British Mortgage & Trust Company for a loan of \$508,000 on property described as Building 'B', Belfield Road, Etobicoke.
4559. File, received from Victoria and Grey Trust Company, entitled "No. 15438, Belfield Road, Etobicoke, Transdallas".
4560. Minute book of Trans-Dallas Investments Limited.
- 4559.1 Two-page inter-office memo, from file of Victoria and Grey Trust Company, dated September 26, 1963 from L. W. Facey, Toronto office, British Mortgage, to W. A. Pike, head office, enclosing application by Trans-Dallas Investments Limited for loan of \$800,000 for twenty years at 7¾ per cent on building on part Lot 25, Concession 3, Belfield Rd. and Hwy. 27, giving description of building and suggesting a tentative schedule of advances.



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4562.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 15438 in name of Trans-Dallas Investments Limited, subsequently in name of Louis Weisfeld at British Mortgage & Trust Company for loan of \$800,000 on property on part Lot 25, Concession 3, Etobicoke.		pared by Eddis and Associates Limited received from Severn Investment Company Limited.
4563.	File, received from Victoria and Grey Trust Company, entitled "No. 15525, Mulock Dr., Newmarket, part lot 91/1".	4572.	Financial statement of Severn Investment Company Limited and its wholly-owned subsidiary Severn Finance Limited for period ending 30 June, 1964.
4564.	Bundle of documents, received from Victoria and Grey Trust Company, relating to loan to Hi-Homes Limited, Newmarket.	4573.	File of British Mortgage & Trust Company re Severn Investment Company Limited containing three letters, received from Victoria and Grey Trust Company.
4565.	Minute book of Hi-Homes Limited.	4574.	Minute book of Parkay Investments Limited.
4566.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Hi-Homes Limited.	4575.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 15642 in name of Parkay Investments Limited at British Mortgage & Trust Company for Loan of \$600,000 on property described as Building A, Rutherford Rd., Brampton.
4563.1	Mortgage application, from file of Victoria and Grey Trust Company, dated 18 July 1963, Hi-Homes Limited to British Mortgage & Trust Company for a loan of \$160,000 for twenty years at 8 per cent on property described as part Lot 91, Concession 1, Newmarket.	4576.	Minute book of Trans-Swiss Investments Limited.
4568.	Certified true copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 15524 in name of Hi-Homes Limited at British Mortgage & Trust Company for loan of \$150,000 on property on part Lot 91, Concession 1, Mulock Dr., Newmarket.	4577.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 16107 in name of Trans-Swiss Investments Limited at British Mortgage & Trust Company for loan of \$600,000 on property described as Building B, Rutherford Rd., Brampton.
4569.	File, received from Severn Investment Company Limited, containing eight letters relating to dealings of the company with British Mortgage & Trust Company.	4578.	Photostatic copy of reporting letter, received from Victoria and Grey Trust Company, dated October 25, 1966 from Shuyler, Ecclestone & Green, Solicitors to Mr. Alexander V. Crate, Victoria and Grey Trust Company with attached amended statement of adjustments re sale of 98-100 Rutherford Road, Brampton, Ontario by Victoria and Grey Trust Company to Sheraton Manufacturing Company Limited.
4570.	Audited financial statement, received from Eddis and Associates, Chartered Accountants, of Severn Investment Company Limited and its wholly-owned subsidiary Severn Finance Limited for period ending 31 December, 1963.	4579.	File, received from Victoria and Grey Trust Company, entitled "No. 15973, 51 Belfield Road, Rexdale, Hi-Homes".
4571.	Financial statement of Severn Investment Company Limited and its wholly-owned subsidiary Severn Finance Limited for four month period ending 30 April, 1964 pre-	4579.1	Mortgage application from file of Victoria and Grey Trust Company, dated 18 February, 1964, Hi-Homes Limited (R. G. Calladine) to British Mortgage & Trust Company for loan of \$144,000 for twenty years at 8 per cent on property at 51 Belfield Rd., Rexdale.

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4581. Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 15973 in name of Hi-Homes Limited at British Mortgage & Trust Company for loan of \$144,000 on property at 51 Belfield Rd., Rexdale.
4582. Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re Leasebuy Limited.
4583. Four files received from Victoria and Grey Trust Company, no. 13016, Indiancrest Limited, Chatham; no. 13637, 127 McFadden; no. 13638, 39 Chippewa; and no. 13639, 3 Chippewa.
- 4583.1 Application, from file no. 13016 of Victoria and Grey Trust Company, dated 9 May, 1960 consisting of three pages and attached schedules, for a loan from British Mortgage & Trust Company by Ian D. Morrison, trustee; William Adams, Trustee; and Leasebuy Limited in amount of \$250,000 on property described as part Lot 24, Concession 2, City of Chatham, held in trust for a Company to be incorporated and known as Indiancrest Limited.
- 4583.2 Document, from file of Victoria and Grey Trust Company, dated June 1, 1960, prepared by Chatham Real Estate appraising the Indiancrest property in Chatham at \$111,720.
- 4583.3 Document, from file of Victoria and Grey Trust Company, dated May 20, 1960 signed by W. A. Pike, estimating value of proposed Indiancrest subdivision, Chatham at \$852,500.
4587. Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 13016 in name of Indiancrest Limited at British Mortgage & Trust Company for loan of \$250,000 on Indiancrest Subdivision in Chatham.
- 4583.4 Original letter, from file of Victoria and Grey Trust Company, dated June 15, 1960 from Magwood, Frith & Casey, Solicitors, to W. A. Pike, British Mortgage & Trust Company, Stratford, Ontario enclosing draft of proposed mortgage re Indiancrest Limited.

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- 4583.5 Original letter, from file of Victoria and Grey Trust Company, dated June 20, 1960, from Magwood, Frith & Casey, Solicitors, to W. A. Pike, British Mortgage & Trust Company, Stratford, Ontario enclosing a copy of the subdivision agreement concerning Indiancrest Limited and requesting a cheque for \$215,000 to close mortgage loan on June 24, 1960.
- 4583.6 Carbon copy, from file of Victoria and Grey Trust Company, of letter dated June 22, 1960, from Assistant Secretary, British Mortgage & Trust Company to Magwood, Frith & Casey, Solicitors, returning copy of the subdivision agreement, enclosing a cheque for \$214,700 to cover a first advance of \$215,000 on mortgage loan to Indiancrest Limited less inspection and valuation fee of \$300, and requesting Certification of Title.
- 4583.7 Letter, from file of Victoria and Grey Trust Company, dated April 6, 1961 from Magwood, Frith & Casey, Solicitors, to W. A. Pike, Mortgage Manager, British Mortgage & Trust Company, re improvement in title position of Indiancrest Limited property by deposit of two statutory declarations filed as no. 119846 in Registry Office at Chatham, March 23, 1961 by Mr. Morrison.
- 4583.8 Letter, from file of Victoria and Grey Trust Company, dated September 14, 1960 from Magwood, Frith & Casey, Solicitors, to W. A. Pike, Mortgage Manager, British Mortgage & Trust Company requesting cheque for balance of mortgage loan to Indiancrest Limited.
- 4583.9 Carbon copy of letter, from file of Victoria and Grey Trust Company, dated September 15, 1960 from Assistant Secretary, British Mortgage & Trust Company to Magwood, Frith & Casey, Solicitors, enclosing cheque in amount of \$28,268.37 as requested in payment of final advance to Indiancrest Limited.
- 4583.10 Letter, from file of Victoria and Grey Trust Company, dated May 30, 1960 from Leasebuy Limited to British Mortgage & Trust Company setting out details as to incorporation and capitalization of Indiancrest Limited.

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4583.11	Two-page letter, from file of Victoria and Grey Trust Company, dated July 6, 1960, from Magwood, Frith & Casey, Solicitors, to W. A. Pike, British Mortgage & Trust Company advising of issue of 20,000 common shares of Indiancrest Limited to British Mortgage & Trust Company, and 5,000 common shares each to W. P. Gregory and W. A. Pike.		of ledger card for mortgage account no. 13583 in name of Old York Lane Properties Limited at British Mortgage and Trust Company for loan of \$250,000 on property at 115 Yorkville Ave., Toronto.
4596.	Books of account of Indiancrest Limited, comprising the books of original entries in the general ledger, in one binder, obtained from office of J. S. L. King, Secretary-Treasurer of Indiancrest Limited.	4603.	Financial statements and auditors' report signed by Glendinning, Jarrett, Gould & Co., Chartered Accountants, for Old York Lane Properties Limited as at February 28, 1965 received from Gauld, Hill & Kilgour, solicitors for the company.
4597.	Duplicate deposit book, obtained from office of J. S. L. King, Secretary-Treasurer of Indiancrest Limited, for account no. 174-18 in name of Indiancrest Limited at Bank of Nova Scotia.	4604.	Photostatic copy, received from Victoria and Grey Trust Company, of mortgage application dated January 2, 1959 Hengran Developments Limited to British Mortgage & Trust Company for loan of \$390,000 for ten years at 7½ per cent on property on Elliot Plaza, Elliot Lake, Ont.
4583.12	Letter, from file of Victoria and Grey Trust Company, dated December 20, 1961 from Edwin Schenck, United Co-operatives of Ontario to W. A. Pike, British Mortgage & Trust Company re Co-operative Construction Services Ltd. vs. Indiancrest Ltd., Chatham Project.	4605.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 12146 in name of Hengran Development Limited at British Mortgage & Trust Company for loan of \$390,000 on property described as Newfoundland Block, Elliot Lake Plaza.
4583.13	Carbon copy of letter, from file of Victoria and Grey Trust Company, dated January 31, 1962 from "W. A. P." to Indiancrest Limited, Toronto re proposal made by Co-operative Construction Services Limited to take over eighty lots in Indiancrest Limited subdivision.	4606.	Minute book of Promenade-Swiss Corporation Limited, obtained from offices of Campbell, Godfrey and Lewtas, Solicitors.
4600.	Carbon copy of report dated June 29, 1960 from Magwood, Frith & Casey, Solicitors, to British Mortgage & Trust Company, certifying that Indiancrest Limited has title to property in Chatham on which British Mortgage holds a first mortgage of \$250,000.	4607.	Register of directors and shareholders of Promenade-Swiss Corporation Limited, obtained from offices of Campbell, Godfrey and Lewtas, Solicitors.
4601.	Photostatic copy, received from Victoria and Grey Trust Company, of mortgage application dated 21 February, 1961, Old York Lane Properties Limited to British Mortgage & Trust Company for loan of \$250,000 for twenty years at 9 per cent on property at 115 Yorkville Ave., Toronto.	4608.	Common share certificate book of Promenade-Swiss Corporation Limited, obtained from offices of Campbell, Godfrey and Lewtas, Solicitors.
4602.	Certified true copy, received from Victoria and Grey Trust Company,	4609.	Preferred share certificate book of Promenade-Swiss Corporation Limited, obtained from offices of Campbell, Godfrey and Lewtas, Solicitors.
		4610.	Minute book of Yonge-Eglinton Building Limited, obtained from offices of Campbell, Godfrey and Lewtas, Solicitors.
		4611.	Register of directors and shareholders of Yonge-Eglinton Building Limited, obtained from offices of Campbell, Godfrey and Lewtas, Solicitors.



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4612.	Common share certificate book of Yonge-Eglinton Building Limited, obtained from offices of Campbell, Godfrey and Lewtas, Solicitors.	4620.	File, received from Victoria & Grey Trust Company, entitled "637/657 Lakeshore Road, Tip Top Tailors Limited".
4613.	Preferred share certificate book of Yonge-Eglinton Building Limited, obtained from offices of Campbell, Godfrey and Lewtas, Solicitors.	4620.1	Photostatic copies, from file of Victoria and Grey Trust Company, of valuation letter of A. C. Duncan, S.R.A., dated January 10, 1964 and attached five-page valuation report on 637 Lakeshore Boulevard West, Toronto, property of Tip Top Tailors Limited.
4614.	Certified true copies of banking documents relating to account no. 974083 in name of Yonge-Eglinton Building Limited at Toronto-Dominion Bank, 55 King St. West, Toronto, comprising the following: ledger sheet no. 2, entitled "The Toronto-Dominion Bank, Cash Collateral Account, Yonge-Eglinton Building Limited"; demand loan ledger account; general ledger account for period January 18, 1961 to August 30, 1962; negotiable security sheets nos. 10562 and 10794; memoranda and correspondence covering the period March 3, 1961 to August 30, 1962.	4622.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Janus Apartments Limited.
4615.	File, received from Victoria and Grey Trust Company, entitled "No. 13589, 2200 Yonge St." relating to Yonge-Eglinton Building Limited.	4623.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Parkway Investments Limited.
4615.1	Mortgage application, from file of Victoria and Grey Trust Company, dated 21 February, 1961, Yonge-Eglinton Building Limited to British Mortgage & Trust Company for loan of \$600,000 for ten years at 10 per cent on property at 2200 Yonge St., Toronto.	4624.	File, received from W. P. Gregory, entitled "Atlantic Acceptance 1959" containing notices of directors' meetings, minutes of meetings, financial statements and correspondence relating to Atlantic Acceptance Corporation Limited.
4615.2	Document from file of Victoria and Grey Trust Company, dated February 28, 1961, signed by W. A. Pike estimating value of property at 2200 Yonge St., Toronto at that date as \$1,000,000 and on completion as \$8,250,000.	4625.	File, received from W. P. Gregory, entitled "Atlantic Acceptance 1960-1961" containing notices of directors' meetings, minutes of meetings, financial statements and correspondence relating to Atlantic Acceptance Corporation Limited.
4618.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 13589 in name of Yonge-Eglinton Building Limited at British Mortgage & Trust Company for loan of \$600,000 on property at 2200 Yonge St.	4626.	Photostatic copies of documents from the file of British Mortgage & Trust Company relating to the Dale Estate mortgage loan, received from Victoria and Grey Trust Company.
4619.	Certified true copy, received from W. H. Bosley & Company Limited, of valuation report dated November 2, 1962, prepared by W. H. Bosley & Company Limited on property of Tip Top Tailors Limited at 637-657 Lakeshore Blvd. West, Toronto.	4627.	Photostatic copy of carbon copy of draft letter dated May 7, 1962, addressed to O. J. Gaffney from British Mortgage & Trust Company and photostatic copy of carbon copy of draft letter dated May 1, 1962 to British Mortgage & Trust Company from John Gaffney Construction Company Limited relating to purchase of I.G.A. store in West Lorne from W. A. Pike as an investment for the John Gaffney Construction Company Limited, pension fund. Attached is letter from Victoria and Grey Trust Company to the Royal Commission on Atlantic Acceptance Corporation Limited, dated May 1, 1967 certifying the letters to be true copies.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4628.	Copy of inspection report relating to British Mortgage & Trust Company dated August 19, 1946 received from office of Registrar of Loan and Trust Corporations, Ontario.	4638.	Correspondence file, received from Victoria and Grey Trust Company, entitled "No. 13640, Lawrence East and Midland, Winlark Investments".
4629.	Copy of inspection report relating to British Mortgage & Trust Company dated August 14, 1956 received from office of Registrar of Loan and Trust Corporations, Ontario.	4639.	Documents, received from Victoria and Grey Trust Company, pertaining to mortgage loan to Winlark Investments Limited from British Mortgage & Trust Company.
4630.	Copy of inspection report relating to British Mortgage & Trust Company dated September 2, 1957 received from office of Registrar of Loan and Trust Corporations, Ontario.	4639.1	Carbon copy, received from Victoria and Grey Trust Company, of mortgage application, dated 30 March 1961, Winlark Investments Limited to British Mortgage & Trust Company for a loan of \$600,000 for twenty years at 8 per cent on property at Lawrence Ave. East and Midland Ave., Scarborough.
4631.	Copy of inspection report relating to British Mortgage & Trust Company dated August 18, 1959 received from office of Registrar of Loan and Trust Corporations, Ontario.	4638.1	Appraisal report, from file of Victoria and Grey Trust Company, on property at Lawrence Avenue East and Midland Avenue prepared by Shortill and Hodgkins Limited dated April 11, 1961 addressed to L. W. Facey, British Mortgage & Trust Company.
4632.	Copy of inspection report relating to British Mortgage & Trust Company dated June 23, 1960 received from office of Registrar of Loan and Trust Corporations, Ontario.	4642.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 13640 in name of Winlark Investments Limited at British Mortgage & Trust Company for loan of \$600,000 on property on Lawrence Ave. E. and Midland Ave., Scarborough.
4633.	Copy of inspection report relating to British Mortgage & Trust Company dated January 28, 1963 received from office of Registrar of Loan and Trust Corporations, Ontario.	4643.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re: Subseven Investments Limited.
4634.	Document entitled "Submission by the Federated Council of Sales Finance Companies to the Royal Commission on Atlantic Acceptance Corporation Limited" dated May 11, 1967.	4644.	Correspondence file, received from Victoria and Grey Trust Company, entitled "No. 14617, Carlton and Bunting Streets, St. Catharines".
4635.	Auditors' report to British Mortgage & Trust Company dated November 18, 1964 and financial statements for year ended October 31, 1964 including balance sheet, statement of undivided profits, statement of revenue and expenditure and statement of general and administrative and occupancy expense.	4645.	Document file, received from Victoria and Grey Trust Company, marked "Subseven Investments Limited, Carlton and Bunting Streets, St. Catharines, No. G-14617".
4636.	File, from office of Solomon, Singer & Solway, entitled "Trans Commercial Acceptance Limited, Incorporation File No. 2514".	4645.1	Mortgage application, from file of Victoria and Grey Trust Company, dated 28 September 1962, Subseven Investments Limited to British Mortgage & Trust Company for loan of \$675,000 for twenty-five years at 8 per cent on property at Carleton and Bunting Streets, St. Catharines. Attached is carbon
4637.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re Winlark Investments Limited.		

<i>Exhibit No.</i>	<i>Description</i>
	copy, dated November 13, 1962, of a statement of L. W. Facey setting out income valuation basis.
4647.	Photostatic copy received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 14617 in name of Subseven Investments Limited at British Mortgage & Trust Company for loan of \$675,000 on property at Carlton and Bunting Sts., St. Catharines.
4648.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re Nasham Investments Limited.
4649.	Correspondence file received from Victoria and Grey Trust Company entitled "No. 14619—Nash Road, Hamilton".
4650.	Document file received from Victoria and Grey Trust Company entitled "G 14619, Nasham Investments Limited, 640 Queenston Road, Hamilton".
4650.1	Mortgage application, from file of Victoria and Grey Trust Company, dated 28 September 1962, Nasham Investments Limited to British Mortgage & Trust Company for loan of \$575,000 for twenty-five years at 8 per cent on property on Nash Rd., Hamilton.
4652.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 14619 in name of Nasham Investments Limited at British Mortgage & Trust Company for loan of \$575,000 on property on Nash Rd., Hamilton.
4653.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re Webdear Investments Limited.
4654.	Correspondence file, received from Victoria and Grey Trust Company entitled "No. 14623, Bridgeport Road and Weber Street, Waterloo, Ontario".
4655.	Document file, received from Victoria and Grey Trust Company entitled "G 14623, Webdear Investments Limited, 70 Bridgeport Road and Weber Street, Waterloo".
4655.1	Mortgage application, from file of Victoria and Grey Trust Company, dated 28 September, 1962, Webdear

<i>Exhibit No.</i>	<i>Description</i>
	Investments Limited to British Mortgage & Trust Company for loan of \$650,000 for twenty-five years at 8 per cent on property on Bridgeport Rd. and Weber St. Attached is carbon copy, dated November 13, 1962, of statement of L. W. Facey setting out income valuation basis.
4657.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 14623 in name of Webdear Investments Limited at British Mortgage & Trust Company for loan of \$650,000 on property at Bridgeport Rd. and Weber St., Waterloo.
4658.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re Guard Holdings Limited.
4659.	Correspondence file, received from Victoria and Grey Trust Company, entitled "Guard Holdings Limited, part of Lot 12, Concession 2, Township of Kingston, K.C. 16344".
4660.	Document file, received from Victoria and Grey Trust Company entitled "Guard Holdings Limited, No. K.C. 16344".
4660.1	Mortgage application, from file of Victoria and Grey Trust Company, dated 5 May, 1964, Guard Holdings Limited to British Mortgage & Trust Company for loan of \$750,000 for twenty years at 8 per cent on property described as part Lot 12, Concession 2, Township of Kingston.
4662.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 16344 in name of Guard Holdings Limited at British Mortgage & Trust Company for Loan of \$750,000 on property on part Lot 12, Concession 2, Township of Kingston.
4663.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re Graystones Aurora Holdings Limited.
4664.	Correspondence file, received from Victoria and Grey Trust Company, entitled "Graystones Aurora Holdings Limited, Loan No. 16345".



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4665.	Document file, received from Victoria and Grey Trust Company, for Graystones Aurora Holdings Limited.	4674.	Correspondence file, received from Victoria and Grey Trust Company, entitled "No. 17010—7171 Yonge St., Toronto, Reno Financial Corporation Limited".
4665.1	Mortgage application, from file of Victoria and Grey Trust Company dated 5 May, 1964, Guard Holdings Limited to British Mortgage & Trust Company for loan of \$750,000 for twenty years at 8 per cent on property at London Road & Murphy Road, Sarnia.	4675.	Document file, received from Victoria and Grey Trust Company, entitled "7171 Yonge St., Toronto, Reno Financial Corporation Limited".
4667.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 16345 in name of Graystones Aurora Holdings Limited at British Mortgage & Trust Company for loan of \$750,000 on property on London Rd., Sarnia.	4675.1	Mortgage application, from file of Victoria and Grey Trust Company, dated 26 April, 1965, Reno Financial Corporation Limited to British Mortgage & Trust Company for loan of \$925,000 for twenty years at 8 per cent on property at 7171 Yonge St., Toronto. Attached is valuation report of W. A. Pike dated April 26, 1965.
4668.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re Sentry Department Stores Limited.	4677.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 17010 in name of Reno Financial Corporation Limited at British Mortgage & Trust Company for loan of \$925,000 on property at 7171 Yonge Street, Toronto.
4669.	Correspondence file, received from Victoria and Grey Trust Company, entitled "No. 17009 — Ottawa" relating to loan to Sentry Department Stores.	4678.	Correspondence file, received from Victoria and Grey Trust Company entitled "972 Hamilton Road, King Shopping Plaza (London), 14445".
4670.	Document file no. 17009, received from Victoria and Grey Trust Company, for Sentry Department Stores Limited, 1460 Merivale Rd., Ottawa.	4678.1	Mortgage application from file of Victoria and Grey Trust Company, unsigned and undated, King Shopping Plaza (London) Limited to British Mortgage & Trust Company for loan of \$400,000 for twenty years at 7¾ per cent on property on Hamilton Road, London. Attached is valuation report of W. A. Pike dated August 17, 1962.
4670.1	Mortgage application, from file of Victoria and Grey Trust Company, dated 26 April, 1965, Sentry Department Stores Limited to British Mortgage & Trust Company for loan of \$900,000 for twenty years at 8 per cent on property at 1468 Merivale Rd., Ottawa. Attached is valuation report of W. A. Pike dated April 26, 1965.	4680.	Photostatic copies, received from Victoria and Grey Trust Company of ledger cards for mortgage account no. 14445 in name of King Shopping Plaza (London) Limited at British Mortgage & Trust Company for loan of \$400,000 on property at 972 Hamilton Rd., London.
4672.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 17009 in name of Sentry Department Stores Limited at British Mortgage & Trust Company for loan of \$900,000 on property on Merivale Rd., Ottawa.	4681.	Mortgage application, received from Victoria and Grey Trust Company, dated October, 1961, Wildor Holdings Limited to British Mortgage & Trust Company for loan of \$750,000 for one year at 12 per cent on property at Wellington St. and Hwy. 401, London.
4673.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re Reno Financial Corporation Limited.		

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4682.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 13889 in name of Wildor Holdings Limited at British Mortgage & Trust Company for loan of \$750,000 on property on Wellington St., London.	4690.	Correspondence file, no. 17134, received from Victoria and Grey Trust Company, entitled "Treasure Island Gardens".
4683.	Mortgage application, received from Victoria and Grey Trust Company, dated 30 January, 1962, Wildor Holdings Limited to British Mortgage & Trust Company for loan of \$1,500,000 for one year at 11 per cent.	4691.	Photostatic copy, received from Victoria and Grey Trust Company of ledger card for mortgage account no. 17134 in name of Treasure Island Gardens Limited at British Mortgage & Trust Company for loan of \$750,000.
4684.	Photostatic copy, received from Victoria and Grey Trust Company, of ledger cards for mortgage account no. 14050 in name of Wildor Holdings Limited at British Mortgage & Trust Company for loan of \$1,500,000 on property described as Treasure Island Shopping Centre.	4692.	Photostatic copy, received from Victoria and Grey Trust Company, of extract from Journal 55 of British Mortgage & Trust Company, showing entry dated June 30, 1965 re Treasure Island Gardens Limited.
4685.	Photostatic copy, obtained from Anderson, Neilson & Co., of offer to purchase re: Treasure Island Shopping Centre signed by D. W. Reid as trustee and accepted by British Mortgage & Trust Company, dated April 1, 1963.	4693.	Certified true copy, received from Victoria and Grey Trust Company, of ledger sheet for collateral loans account no. 311 at British Mortgage & Trust Company covering period May 31, 1965 to September 30, 1965.
4686.	Correspondence file, received from Victoria and Grey Trust Company, entitled "Treasure Island Properties Limited".	4694.	Certified true copy, received from Victoria and Grey Trust Company, of sheet no. 49 of general journal of British Mortgage & Trust Company dated May 31, 1965.
4687.	Correspondence file, received from Victoria and Grey Trust Company, entitled "Treasure Island Properties Limited and Treasure Island Gardens".	4695.	Certified true copy, received from Victoria and Grey Trust Company, of ledger sheet for short-term notes account no. 318 at British Mortgage & Trust Company covering period November 1, 1963 to July 31, 1965.
4688.	Mortgage application, received from Victoria and Grey Trust Company, dated 25 March, 1963, Donald Walter Reid, as trustee, to British Mortgage & Trust Company for loan of \$1,500,000 for one year at 11 per cent on property described as Treasure Island Shopping Centre, London.	4696.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re Unden Limited.
4689.	Photostatic copies, received from Victoria and Grey Trust Company, of ten ledger sheets for mortgage account no. 14930 in name of Treasure Island Properties Limited at British Mortgage & Trust Company for loan of \$1,100,000 on property described as Treasure Island Shopping Centre, London.	4697.	Correspondence file, received from Victoria and Grey Trust Company, entitled "No. 13352, I.G.A."
		4698.	Document file, received from Victoria and Grey Trust Company, entitled "Unden Limited, I.G.A. Supermarkets, Brantford, Aylmer, Listowel, Stratford".
		4698.1	Mortgage application, from file of Victoria and Grey Trust Company, dated 14 September, 1960, Unden Limited to British Mortgage & Trust Company for loan of \$350,000 for twenty years at 8%, first blanket mortgage on I.G.A. Food Stores to be erected in Aylmer, Listowel, Stratford and Brantford. Attached are valuations prepared by John Hess Limited dated October 8, 1960.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4700.	Protostatic copy, received from Victoria and Grey Trust Company, of ledger cards for mortgage account no. 13352 in name of Uden Limited at British Mortgage & Trust Company for loan of \$350,000 on I.G.A. Stores in Aylmer, Listowel, Stratford and Brantford.		Housing Corporation dated May 28, 1962 addressed to Harries, Houser, Brown & Houlden with attached two-page schedule entitled "Marling Estates Limited" dated May 25, 1962 showing amounts approved to be lent on listed properties in Ottawa.
4701.	Certified true copy, received from Victoria and Grey Trust Company, of short-term note ledger card in name of London Lighthouse Investments Limited at British Mortgage & Trust Company showing short-term note of \$480,000 dated February 15, 1965, due date May 31, 1965.	4514.6	Copy of letter, from file of British Mortgage & Trust Company, dated June 29, 1962 from Mortgage Manager, British Mortgage & Trust Company to Messrs. Christilaw, Gage, Wigle & Stanger, stating that British Mortgage have approved several new loans to be completed in accordance with the company's arrangement with Interim Building Credits Limited and attaching a list of lots and plan numbers, amounts of mortgages and initial advances.
4702.	Schedule prepared by Mr. Walker entitled "British Mortgage & Trust Company, Advances to Interim Building Credits Limited on properties in Lakewood Gardens Subdivision, Grimsby, Ontario".	4514.7	Letter, from file of British Mortgage & Trust Company, dated August 18, 1962 from H. R. Elmore Investments Limited to British Mortgage requesting further advance of \$22,800 on 19 lots in Ottawa area. Attached is carbon copy of letter from British Mortgage to Christilaw, Gage, Wigle & Stanger. Solicitors enclosing cheque for \$22,800 and requesting certificate of title for loans, increased insurance and agreement from Interim Building Credits Limited to interest rate of 9½% per annum.
4514.4	Letter, from file of British Mortgage & Trust Company, dated August 18, 1962 from H. R. Elmore Interim Building Credits Limited to W. A. Pike, British Mortgage & Trust Company, requesting first advances on mortgages on five lots in Grimsby. Attached is carbon copy of reply from W. A. Pike to H. R. Elmore stating that British Mortgage will make the advances requested on receipt of the N.H.A. inspection report.	4514.8	Carbon copy, from file of British Mortgage & Trust Company, of letter dated October 15, 1962, from Mortgage Manager, British Mortgage & Trust Company to Messrs. Cavers, Chown, Cairns & Hicks stating that \$140,000 has been wired c/o Royal Bank of Canada, main branch, Ottawa representing a first advance of \$2,500 on 71 lots in Township of Cumberland, County of Russell less \$37,500 retained by British Mortgage on instructions of H. R. Elmore and applied on outstanding loans.
4704.	Five page schedule prepared by Mr. Walker entitled "British Mortgage & Trust Company, Advances to Interim Building Credits Limited for Ottawa Properties".	4710.	Minute book of 60 Belfield Road Limited obtained from Mr. G. Reisman, trustee for 60 Belfield Road Limited.
4705.	Photostatic copy of an agreement, received from Christilaw, Wigle, Goldberg and Stanger, Solicitors dated 24 April, 1962 between Marling Estates Limited and H. R. Elmore Investments Limited and the Clarkson Company Limited covering sale made by Clarkson Company Limited as Interim Receiver of the equity left in Marling Estates Limited to H. R. Elmore Investments Limited.	4711.	File received from Magwood, Frith & Casey, Solicitors, entitled "British Mortgage & Trust Company Loan to Indiancrest Limited, Indiancrest Subdivision, Chatham, Ontario".
4514.5	Letter, from file of British Mortgage & Trust Company, dated July 20, 1962 from Christilaw, Gage, Wigle & Stanger to British Mortgage & Trust Company enclosing a letter from Central Mortgage and		



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4712.	Certified true copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account no. 14093 in name of Co-operative Construction Services Limited at British Mortgage & Trust Company for loan of \$206,-800 on property described as Indiancrest Subdivision, Chatham.	4723.	File of the late Meyer Rostein, Solicitor, entitled "Surpass Investments Limited Incorporation" received from Mr. Maxwell Rotstein.
4713.	Original file, received from Victoria and Grey Trust Company, containing documents relating to mortgage loan to Dale Estate by British Mortgage & Trust Company. Photostatic copies of certain documents from this file were entered as Exhibit 4626.	4724.	File of the late Meyer Rotstein, Solicitor, entitled "Belfield-Dominion Stores" received from Mr. Maxwell Rotstein.
4714.	Report prepared for the Royal Commission on Atlantic Acceptance Corporation Limited by John Norman Abell entitled "Report on the Money Market Aspects of the Failure of Atlantic Acceptance Corporation" dated August, 1966.	4725.	File, from office of Spring & Greenbaum, Solicitors, entitled "547, Two Seven Warehousing Limited".
4715.	Document, received from Montreal Trust Company, entitled "Memorandum as to the Initial Award of Compensation, Atlantic Acceptance Corporation Limited in Receivership" dated 17 November, 1966.	4726.	Common share certificate book for Belfield Investments Limited received from Mr. Maxwell Rotstein.
4716.	File of the late Meyer Rotstein, Solicitor, entitled "Meyers Investments Limited re mortgage 50-60-70 Belfield Road" received from Mr. Maxwell Rotstein.	4727.	Common share certificate book for 50 Belfield Road Limited received from Mr. Maxwell Rotstein.
4717.	File of the late Meyer Rotstein, Solicitor, entitled "Coronation-Belfield second mortgage" received from Mr. Maxwell Rotstein.	4728.	List of documents entered as Exhibits 4729 to 4742 inclusive.
4718.	File of the late Meyer Rotstein, Solicitor, entitled "Belfield Investments Limited Incorporation" received from Mr. Maxwell Rotstein.	4729.	Certified copies of letters patent, dated 30 June 1958, and supplementary letters patent dated 29 December, 1958 of Adelaide Acceptance Limited (formerly Crest Acceptance Corporation Limited) received from the Department of the Provincial Secretary for Ontario.
4719.	File of the late Meyer Rotstein, Solicitor, entitled "70 Belfield Road" received from Mr. Maxwell Rotstein.	4730.	Certified copy of letters patent, dated 8 September, 1959, of Blacam Realities Limited received from the Department of the Provincial Secretary for Ontario.
4720.	File of the late Meyer Rotstein, Solicitor, entitled "50 Belfield Incpn." received from Mr. Maxwell Rotstein.	4731.	Certified copy of letters patent, dated 10 October, 1958, of Commodore Business Machines (Canada) Limited (formerly Commodore Portable Typewriter Company Limited) received from the Department of the Provincial Secretary for Ontario.
4721.	File of the late Meyer Rotstein, Solicitor, entitled "60 Belfield Incorporation" received from Mr. Maxwell Rotstein.	4732.	Certified copy of letters patent, dated 4 February, 1955, of Dallas Holdings Limited received from the Department of the Provincial Secretary for Ontario.
4722.	File of the late Meyer Rotstein, Solicitor, entitled "Indus Investments Limited" received from Mr. Maxwell Rotstein.	4733.	Certified copy of letters patent, dated 11 May, 1954, of Great Northern Capital Corporation Limited (formerly Consolidated Toronto Development Corporation Limited) received from the Department of the Provincial Secretary for Ontario.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4734.	Certified copy of letters patent, dated 28 December, 1953, of Hill-top Holdings Limited received from the Department of the Provincial Secretary for Ontario.		true copy of a debenture in the amount of \$369,000 principal made by Dalite Corporation (Canada) Limited in favour of Commodore Sales Acceptance Limited on March 1, 1962, filed in the Department of the Provincial Secretary as No. 5052.
4735.	Certified copies of letters patent, dated 4 March, 1959 and Supplementary letters patent dated 2 December 1960 of Home Smith Developments Limited (formerly Commodore Sales Acceptance Limited) received from Department of the Provincial Secretary for Ontario.	4744.	Certified true copy, received from the Department of the Provincial Secretary for Ontario, of an affidavit of Eugene Last sworn on the 2nd day of March, 1962 and attached thereto as Exhibit "A" a true copy of a debenture in the amount of \$631,000 made by Dalite Corporation (Canada) Limited in favour of Commodore Sales Acceptance Limited on March 1, 1962, filed in the Department of the Provincial Secretary as No. 5051.
4736.	Certified copy of letters patent, dated 18 June 1949, of Standard Discount Corporation Limited received from the Department of the Provincial Secretary for Ontario.	4745.	Certified true copy, received from Department of the Provincial Secretary, of an assignment dated 3 April 1962, made by Commodore Sales Acceptance Limited in favour of Adelaide Acceptance Limited of first floating charge debenture of Dalite Corporation (Canada) Limited with attached affidavit of execution of Albert George Woolfrey dated 4 April, 1962.
4737.	Certified copy of letters patent, dated 18 June 1949, of Yarrum Investments Limited (formerly Colonial Sundry Wholesalers Limited) received from the Department of the Provincial Secretary for Ontario.	4746.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re Meyers Investments Limited.
4738.	Certified copy of letters patent, dated 7 March, 1929, of The Premier Finance Corporation Limited received from the Department of the Provincial Secretary for Ontario.	4747.	Index of files from the offices of Maxwell L. Rotstein—(Exhibit 4748 to Exhibit 4757 Inclusive).
4739.	Certified copy of letters patent dated 19 October, 1956 and annual returns of W. & W. Investments Limited received from the Department of the Provincial Secretary for Ontario.	4748.	File from the offices of Maxwell L. Rotstein entitled "Belfield Leases—Lanzino".
4740.	Certified copy of certificate of incorporation dated 20 November, 1961 of Nevil Enterprises, Inc. received from Department of State, State of New York.	4749.	File from the offices of Maxwell L. Rotstein entitled "Belfield re Celwood Industries — Lease, 60 Belfield Road".
4741.	Certified copy of certificate of incorporation dated 21 February, 1964 of Turf Kings Inc., received from Department of State, State of New York.	4750.	File from the offices of Maxwell L. Rotstein entitled "Belfield purchase from Wardlaw".
4742.	Certified copy of certificate of incorporation dated 29 May, 1964 of Turf Kings Leasing Inc. received from Department of State, State of New York.	4751.	File from the offices of Maxwell L. Rotstein entitled "Susin Construction Arbitrations".
4743.	Certified true copy, received from the Department of the Provincial Secretary for Ontario, of an affidavit of Eugene Last, sworn on the 2nd day of March, 1962 and attached thereto as Exhibit "A" a	4752.	File from the offices of Maxwell L. Rotstein entitled "Belfield — Land transfer tax — Indus".
		4753.	File from the offices of Maxwell L. Rotstein entitled "Surpass — Remington Rand".

<i>Exhibit No.</i>	<i>Description</i>
4754.	File from the offices of Maxwell L. Rotstein entitled "Indian Line — Postponement".
4755.	File from the offices of Maxwell L. Rotstein entitled "Trans-Dallas — File #2".
4756.	Minute book of Flomar Securities Limited from offices of Maxwell L. Rotstein.
4757.	Minute Book of Two Seven Warehousing Limited from the offices of Maxwell L. Rotstein.
4758.	Index of files from the offices of British Mortgage & Trust Company, Toronto, 2200 Yonge Street Branch and Stratford Branch — (Exhibit 4759 to Exhibit 4777 Inclusive).
4759.	File from the offices of British Mortgage & Trust Company, Toronto entitled "70 Belfield Road, Rexdale (Belfield Investments Limited)".
4760.	File from the offices of British Mortgage & Trust Company, Toronto entitled "60 Belfield Road, Rexdale — Belfield Investments Limited".
4761.	File from the offices of British Mortgage & Trust Company, Toronto entitled "50 Belfield Road, Rexdale (Belfield Investments Limited)".
4762.	File from the offices of British Mortgage & Trust Company, Toronto entitled "Belfield Road & Highway 27, Building 'A', Indus Limited".
4763.	File from the offices of British Mortgage & Trust Company, Toronto entitled "Highway 27 and Belfield Road, Building 'A', Indus Limited".
4764.	File from the offices of British Mortgage & Trust Company, Toronto entitled "Highway #27 & Belfield Road, Indus Investments Ltd..".
4765.	File from the offices of British Mortgage & Trust Company, Toronto entitled "Belfield Road & Highway 27, Building 'B', Surpass Limited".
4766.	File from the offices of British Mortgage & Trust Company, Toronto entitled "Highway 27 and Bel-

<i>Exhibit No.</i>	<i>Description</i>
	field Road, Building 'B', Surpass Limited".
4767.	File from the offices of British Mortgage & Trust Company, Toronto entitled "280 Belfield Road, Trans-Dallas Investments".
4768.	File from the offices of British Mortgage & Trust Company, Toronto entitled "N/S Belfield Road and Highway #27, Part Lot 25, Concession 3, Trans-Dallas Investments".
4769.	File from the offices of British Mortgage & Trust Company, Toronto entitled "Brampton, Ontario, 98-100 Rutherford Road".
4770.	File from the offices of British Mortgage & Trust Company, Toronto entitled "51 Belfield Road, Rexdale, Hi-Homes Limited (Belfield Investments Ltd..)".
4771.	File from the offices of British Mortgage & Trust Company, Toronto entitled "Aurora Leasing Corporation Ltd., 100 Adelaide St. W., Mr. McFadden".
4772.	File no. 14042 from the offices of British Mortgage & Trust Company, Stratford entitled "Belfield Road, Etobicoke".
4773.	File no. 15819 from the offices of British Mortgage & Trust Company, Stratford entitled "60 Belfield Road Limited".
4774.	File no. 14417 from the offices of British Mortgage & Trust Company, Stratford entitled "50 Belfield Road".
4775.	File no. 14674 from the offices of British Mortgage & Trust Company, Stratford entitled "'A' Belfield Road".
4776.	File no. 14886 from the offices of British Mortgage & Trust Company, Stratford entitled "'B' Belfield Road".
4777.	File no. 15438 from the offices of British Mortgage & Trust Company, Stratford entitled "Belfield Road, Etobicoke, Trans-Dallas Investments Limited".
4778.	Index of files from the offices of Shuyler, Ecclestone & Green — (Exhibit 4779 to Exhibit 4814 inclusive).



## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4779.	File no. 5314 from the offices of Shuyler, Ecclestone & Green entitled "B.M. & T. Loan to Belfield Investments Ltd., 70 Belfield Road, Etobicoke".	4792.	File no. 6089 from the offices of Shuyler, Ecclestone & Green entitled "B.M. & T. loan to Indus Investments Limited, part Lot 25, Concession 3, Etobicoke".
4780.	File no. 5341 from the offices of Shuyler, Ecclestone & Green entitled "Copies of Leases and Assignments of Leases re 60 Belfield Road Limited".	4793.	File no. "A (#2)" from the offices of Shuyler, Ecclestone & Green entitled "B.M. & T. loan to Indus Investments Limited—Building 'A' (#2)".
4781.	File no. 5343 from the offices of Shuyler, Ecclestone & Green entitled "B.M. & T. loan to 60 Belfield Road Ltd."	4794.	File no. "C" from the offices of Shuyler, Ecclestone & Green entitled "Copies of Leases and Assignment of Leases re Indus Investments Limited, Building 'A'".
4782.	File no. 5345 from the offices of Shuyler, Ecclestone & Green entitled "B.M. & T. 2nd mortgage loan to 60 Belfield Road Limited".	4795.	File no. "A" from the offices of Shuyler, Ecclestone & Green entitled "Copies of Leases & Assignment of Leases re Surpass Investments Limited—Building 'B'".
4783.	File no. 5346 from the offices of Shuyler, Ecclestone & Green entitled "B.M. & T. Increased loan to 60 Belfield Road Ltd."	4796.	File no. "B" from the offices of Shuyler, Ecclestone & Green entitled "B.M. & T. loan to Surpass Limited, Building 'B' Belfield Road, Etobicoke, Pt. Lot 25, Concession 3".
4784.	File no. "D" from the offices of Shuyler, Ecclestone & Green entitled "B.M. & T. loan to 60 Belfield Road Limited, second mortgage loan".	4797.	File no. 6251 from the offices of Shuyler, Ecclestone & Green entitled "Aurora Leasing Corporation Ltd. and Surpass Investments Ltd."
4785.	File no. 5618 from the offices of Shuyler, Ecclestone & Green entitled "B.M. & T. loan to 60 Belfield Road Limited".	4798.	File no. 5737 from the offices of Shuyler, Ecclestone & Green entitled "B.M. & T. loan to Trans-Dallas Investments Limited".
4786.	File no. 6248 from the offices of Shuyler, Ecclestone & Green entitled "Aurora Leasing Corporation Ltd. and 60 Belfield Road Limited".	4799.	File no. 6084 from the offices of Shuyler, Ecclestone & Green entitled "Copies of Leases and Assignment of Leases re Trans-Dallas Investments Limited".
4787.	File no. 5311 from the offices of Shuyler, Ecclestone & Green entitled "B.M. & T. loan to Belfield Investments Ltd.,—50 and 60 Belfield Road, Etobicoke".	4800.	File no. 6250 from the offices of Shuyler, Ecclestone & Green entitled "Aurora Leasing Corporation Ltd. and Trans-Dallas Investments Ltd."
4788.	File no. 5315 from the offices of Shuyler, Ecclestone & Green entitled "B.M. & T. loan to 50 Belfield Road Limited—Part Lots 24 and 25, Concession 1, Etobicoke".	4801.	File no. 5726 from the offices of Shuyler, Ecclestone & Green entitled "B.M. & T. loan to Trans-Swiss Investments Limited, Pt. Lot 4, Concession 2, East of Hurontario Street, Brampton".
4789.	File no. 5340 from the offices of Shuyler, Ecclestone & Green entitled "Copies of Leases and Assignment of Leases re 50 Belfield Road Limited".	4802.	File no. 6264 from the offices of Shuyler, Ecclestone & Green entitled "B.M. & T. loan to Parkay Investments Limited, Pt. Lot 4, Concession 2, East of Hurontario St., Brampton".
4790.	File no. 5344 from the offices of Shuyler, Ecclestone & Green entitled "B.M. & T. 2nd mortgage loan to 50 Belfield Road Limited".		
4791.	File no. 6249 from the offices of Shuyler, Ecclestone & Green entitled "Aurora Leasing Corporation Ltd. & 50 Belfield Road Limited".		

<i>Exhibit No.</i>	<i>Description</i>
4803.	File no. 6265 from the offices of Shuyler, Ecclestone & Green entitled "Copies of Leases and Assignment of Leases re Parkay Investments Limited — Brampton Property".
4804.	File A from the offices of Shuyler, Ecclestone & Green entitled "B.M. & T. loan to Parkay Investments Limited, Trans-Swiss Investments Limited, second mortgage loan".
4805.	File no. 5886 from the offices of Shuyler, Ecclestone & Green entitled "B.M. & T. loan to Hi-Homes Limited, 51 Belfield Road, Rexdale".
4806.	File no. 587 from the offices of Shuyler, Ecclestone & Green entitled "Aurora Leasing Limited loan to 50 Belfield Road Limited".
4807.	File no. 5446 from the offices of Shuyler, Ecclestone & Green entitled "B.M. & T loan to Belfield Investments Limited, Part Block 'B', Mills Road, Ajax".
4808.	File no. 6086 from the offices of Shuyler, Ecclestone & Green entitled "B.M. & T. loan to Surpass Investments Limited, Ajax Property".
4809.	File from the offices of Shuyler, Ecclestone & Green entitled "L. W. Facey and Belfield Investments Ltd.".
4810.	File from the offices of Shuyler, Ecclestone & Green entitled "L. W. Facey—Applications for Incorporation, 50 & 60 Belfield Road Ltd.".
4811.	File from the offices of Shuyler, Ecclestone & Green entitled "Facey — Applications for Incorporation, Trans-Dallas Investments Limited, Parkay Investments Limited".
4812.	File No. 5734 from the offices of Shuyler, Ecclestone & Green entitled "Facey purchase from Foxton, Lake Simcoe Property".
4813.	File no. 5674 from the offices of Shuyler, Ecclestone & Green entitled "Facey sale to Sanders, Lot 17, Concession 9, Township of Hamilton (Rice Lake)".
4814.	Certified copies of Shuyler, Ecclestone & Green client general and trust ledger cards for British Mortgage & Trust Company Accounts 355, 374, 382, 384, 394, 396, 397,

<i>Exhibit No.</i>	<i>Description</i>
	457, 460, 461, 466, 468 and 501 —Belfield Companies.
4815.	Index of files from the offices of Gauld, Hill & Kilgour—(Exhibit 4816 to Exhibit 4819, inclusive).
4816.	From the offices of Gauld, Hill & Kilgour, copies of client's general ledger, George Robb re Old York Lane Properties Ltd., for the period December 19, 1960 to December 15, 1963.
4817.	From the offices of Gauld, Hill & Kilgour, copy of client's trust ledger, George Robb re Old York Lane Properties Ltd., for the period December 30, 1960 to June 27, 1961.
4818.	File from the offices of Gauld, Hill & Kilgour entitled—"Old York Lane Properties Limited—re Incorporation".
4819.	File from the offices of Gauld, Hill & Kilgour—"Old York Lane Properties Limited Re Purchase of Cumberland and Yorkville Properties".
4820.	List of certified copies of documents received from the Department of the Provincial Secretary for Ontario and entered as Exhibit 4821 to Exhibit 4832, inclusive.
4821.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re A.J.C. Investments and Holdings Limited.
4822.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re Clare's Sportswear, Woolens and Imports Limited.
4823.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re Arcan Eastern Limited.
4824.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re Flomar Securities Limited.
4825.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re Hengran Developments Limited.
4826.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re King Shopping Plaza (London) Limited.

## APPENDIX B

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4827.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re Phantom Industries Limited.	4837.	Margaret E. Facey (Mrs.) Bank account no. 164 at the Canadian Imperial Bank of Commerce, York Mills Road at Parkwood Village Drive, Toronto — certified true copies of ledger cards, January 12, 1962 to February 1, 1965, signature card, March 16, 1960, deposit slips 1963-1964, cheques March 2, 1963-July 2, 1964.
4828.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re Yonge-Eglinton Building Limited.	4838.	Wilfrid P. Gregory bank account at Royal Bank of Canada—Stratford, Ontario—certified true copies of ledger cards, August 14, 1956 to February 9, 1966, loan ledger card, February 28, 1956 to December 31, 1965, certified cheques November 28, 1961 and December 11, 1961, deposit slips January 29, 1959-July 6, 1965, signature cards, October 26, 1965, inter office memoranda of bank re loans to W. P. Gregory December 6, 1960, June 20, 1962 and December 29, 1964.
4829.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re Harry Winton Investments Limited.	4839.	Wilfrid P. Gregory, bank account at the Bank of Nova Scotia, Stratford, Ontario—certified true copies of ledger card January 9, 1955 to November 30, 1957, demand loan diary — October 31, 1951 to December 3, 1958.
4830.	Certified copies of documents on file in the Department of the Provincial Secretary for Ontario re Two Seven Warehousing Limited.	4840.	Wilfrid P. Gregory, bank account at the Bank of Montreal, Stratford, Ontario—certified true copies of ledger cards, July 29, 1964 to November 8, 1965, signature card, loan ledger card, July 29, 1964 to July 7, 1965, application for credit, May 13, 1965, receipt for securities held for safekeeping.
4831.	Certified copy of registration of copartnership 48614 in the County of York re Two Seven Warehousing Limited received from Registry Office, Registry Division of Toronto.	4841.	Eugene Last bank account at the Royal Bank of Canada, Freeport, Grand Bahamas — certified true copies of sterling account ledger sheets, from November 9, 1964 to July 20, 1965 and deposit slips dated November and December, 1964.
4832.	Copy of certificate of incorporation dated May 8, 1963 of Tools and Molds, Inc. received from Department of State, State of New York.	4842.	Eugene Last bank account at the Royal Bank of Canada, Freeport, Grand Bahamas — certified true copies of U.S. dollar account ledger sheets, September 25, 1964 to July 22, 1965, deposit slips dated September to November, 1964.
4833.	List of bank documents received from various chartered banks and British Mortgage & Trust Company, now Victoria and Grey Trust Company, for accounts of various individuals and corporations, entered as Exhibit 4834 to Exhibit 4860, inclusive.	4843.	Campbell Powell Morgan bank account no. 456-347 at the Bank of Nova Scotia, Toronto—certified true copy of demand loan diary, June 4, 1959 to July 11, 1966.
4834.	Chartered Management Consultants (of Canada) Limited bank account, no. 330-600 at Canadian Bank of Commerce, 25 King Street West, Toronto — Certified true copies of ledger cards December 5, 1961 to September 13, 1965 and loan ledger card July 4, 1962 to July 5, 1963.		
4835.	L. W. Facey—certified true copy of salary received from British Mortgage & Trust Company for period 1962-1963, 1964.		
4836.	L. W. Facey bank account no. 189 at Bank of Nova Scotia, Yonge & Eglinton branch, Toronto—certified true copies of ledger card for the period July 5, 1963 to May 31, 1964, loan ledger card July 10, 1963 to March 15, 1965, deposit slips and credit notes 1963-1965, cheques July 1963-November 1964.		



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4844. Campbell Powell Morgan bank account No. 3016 at the Toronto-Dominion Bank, King and Bay Streets, Toronto — certified true copies of ledger sheets, February 20, 1957 to December 30, 1958, demand loan diary April 22, 1960 to May 25, 1966 certified cheque payees, 1964-1965.
4845. Hugo Oppenheim und Sohn Nachf, Berliner Privatbank A.G. Bank Account at the Bank of Nova Scotia, Toronto — certified true copies of ledger cards, December 31, 1964 to April 29, 1966, bank credit slips 1965.
4846. Lucy Pike bank account no. 32 at the Royal Bank of Canada, Stratford, Ontario—certified true copies of ledger sheets, April 12, 1962 to November 3, 1966, signature card 1962, deposit slips 1963-1966, cheques 1963-1966.
4847. William Arthur Pike bank account no. 3582 at the Bank of Montreal, Kitchener, Ontario — certified true copies of ledger cards December 17, 1959 to December 14, 1964, deposit slips, cheques and signature card.
4848. William Arthur & Lucy Pike joint bank account no. 26 at The Royal Bank of Canada, Stratford, Ontario —certified true copies of ledger sheets, June 15, 1954 to February 9, 1966, demand loan diary, January 7, 1955 to June 29, 1962, cheques 1961-1965, deposit slips 1961-1965.
4849. Solomon & Singer, general account at the Bank of Commerce, City Hall Branch, Toronto — certified true copy of ledger sheets, May 1, 1963 to December 31, 1965.
4850. Jack Tramiel and Manfred Kapp bank account no. 2327 at Toronto-Dominion Bank, King Street, Toronto — certified true copies of ledger sheets, September 21, 1959 to February 28, 1964, deposit slips 1962-1963, cheques 1962-1963 and 1964, signature card — Manfred Kapp.
4851. Harry Wagman bank account no. 3914 at Canadian Imperial Bank of Commerce, City Hall branch, Toronto—certified true copy of ledger sheets, June 3, 1957 to April 27, 1965, deposit slips, 1959-1965, cheques 1959-1965.

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4852. Harry Wagman bank account no. 94-26418 at the Canadian Imperial Bank of Commerce, Toronto—certified true copy of ledger sheet, February 19, 1964 to February 27, 1964.
4853. Harry Wagman bank account no. 94-26418 at Canadian Imperial Bank of Commerce, Toronto—certified true copies of ledger sheets, February 28, 1964 to December 29, 1965, loan ledger sheets, collateral securities record card.
4854. Harry Wagman bank account no. 3931 at Bank of Nova Scotia, Toronto — certified true copies of ledger cards October 14, 1960 to January 14, 1966.
4855. Wm. L. Walton bank account no. 94-04813 at Canadian Imperial Bank of Commerce, 25 King Street West, Toronto—certified true copies of ledger sheets, December 30, 1960 to February 27, 1964, loan ledger sheets, collateral securities record card.
4856. Wm. L. Walton bank account no. 1692 at Bank of Nova Scotia, Yonge & Adelaide, Toronto—certified true copies of ledger sheets, August 1961 to November 3, 1965, deposit slip, signature card.
4857. William L. Walton and Harry Wagman bank account no. 029-951 at Canadian Imperial Bank of Commerce Toronto — certified true copies of ledger sheets, October 31, 1960 to February 26, 1964.
4858. William L. Walton and Harry Wagman bank account no. 94-04716 at Canadian Imperial Bank of Commerce, King Street West, Toronto—certified true copies of loan ledger sheets collateral securities record card, safe keeping securities record card.
4859. Wm. L. Walton or H. Wagman bank account no. 975-551 at Toronto-Dominion Bank, King & Yonge Streets, Toronto — certified true copies of ledger sheets, September 16, 1963 to June 30, 1964, demand loan card, credit slip September 17, 1963.
4860. Wm. L. Walton, H. Wagman & C. Powell Morgan bank account no. 94-16013 at Canadian Imperial Bank of Commerce, King Street West, Toronto—certified true copies

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
	of ledger cards, March 16, 1962 to November 29, 1963, loan ledger sheet, collateral securities record card.	4872.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume A5, Arthur Brooks Drohan, January 17, 1967.
4861.	List of examinations conducted by commission personnel pursuant to Ontario Securities Act — (Exhibit 4862 to Exhibit 4903 inclusive).	4873.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume B1, Arthur Brooks Drohan, January 20, 1967.
4862.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume D (Cont'd.), Roy Gordon Calladine, May 26, 1967.	4874.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume A6, John Canning, January 17, 1967.
4863.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume D (Cont'd.), Roy Gordon Calladine, June 6, 1967.	4875.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume A7, Henry Jack Kates, January 20, 1967.
4864.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume D (Cont'd.), Roy Gordon Calladine, June 19, 1967.	4876.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume A8, Patrick Dermot McCaughey, January 20, 1967.
4865.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume WW, Armand Mamann, January 11, 1967.	4877.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission — Volume A9, Walter Edward Pahn, January 20, 1967.
4866.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission — Volume XX, Jack Mamann, January 11, 1967.	4878.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume B2, John Belli, January 20, 1967.
4867.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume YY, Alex J. Meikleham, January 11, 1967.	4879.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume C4, John Belli, February 13, 1967.
4868.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume ZZ, Allen J. Sherrard, January 11, 1967.	4880.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume B3, Aubrey Lee Pancer, January 23, 1967.
4869.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume A2, Allen J. Sherrard, January 17, 1967.	4881.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume B4, Romek Flam, January 23, 1967.
4870.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume A3, Murray Charles Chalk, January 17, 1967.	4882.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume B5, Gilbert Howard Risman, January 23, 1967.
4871.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume A4, Mrs. Shirley Marion Sherrard, January 17, 1967.	4883.	Transcript of examination conducted pursuant to the order of

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*Description*

- the Ontario Securities Commission  
—Volume B6, Philip Young, Janu-  
ary 23, 1967.
4884. Transcript of examination con-  
ducted pursuant to the order of  
the Ontario Securities Commission  
—Volume B6A, David Calligan  
Dwyer, January 23, 1967.
4885. Transcript of examination con-  
ducted pursuant to the order of  
the Ontario Securities Commission  
— Volume B7, Morrey Solway,  
January 24, 1967.
4886. Transcript of examination con-  
ducted pursuant to the order of  
the Ontario Securities Commission  
— Volume B8, Perry Frederick  
Smith, January 24, 1967.
4887. Transcript of examination con-  
ducted pursuant to the order of  
the Ontario Securities Commission  
—Volume B9, John Willett Pitman,  
January 24, 1967.
4888. Transcript of examination con-  
ducted pursuant to the order of  
the Ontario Securities Commission  
—Volume C1, John Claris Laidlaw,  
January 26, 1967.
4889. Transcript of examination con-  
ducted pursuant to the order of  
the Ontario Securities Commission  
—Volume C2, Arthur Harvey Gel-  
goot, January 31, 1967.
4890. Transcript of examination con-  
ducted pursuant to the order of  
the Ontario Securities Commission  
—Volume C3, George Purvin, Feb-  
ruary 3, 1967.
4891. Transcript of examination con-  
ducted pursuant to the order of  
the Ontario Securities Commission  
— Volume C5, Robert George  
Webb, April 14, 1967.
4892. Transcript of examination con-  
ducted pursuant to the order of  
the Ontario Securities Commission  
—Volume C6, Jacob Klein, April  
14, 1967.
4893. Transcript of examination con-  
ducted pursuant to the order of  
the Ontario Securities Commission  
—Volume C7, L. Murray Eades,  
May 19, 1967.
4894. Transcript of examination con-  
ducted pursuant to the order of  
the Ontario Securities Commission  
—Volume C8, Melba Lillian Love,  
June 5, 1967.

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*Description*

4895. Transcript of examination con-  
ducted pursuant to the order of  
the Ontario Securities Commission  
—Volume C9, Fred Michael Bon-  
geli, June 14, 1967.
4896. Transcript of examination con-  
ducted pursuant to the order of  
the Ontario Securities Commission  
— Volume D1, Edwin Thomas  
Lynch, June 20, 1967.
4897. Transcript of examination con-  
ducted pursuant to the order of  
the Ontario Securities Commission  
—Volume D2, Frank Henry Streat,  
June 26, 1967.
4898. Transcript of examination con-  
ducted pursuant to the order of  
the Ontario Securities Commission  
— Volume D3, George Stanley  
Scott, June 29, 1967.
4899. Transcript of examination con-  
ducted pursuant to the order of  
the Ontario Securities Commission  
—Volume D4, Marven Rosen, June  
29, 1967.
4900. Transcript of examination con-  
ducted pursuant to the order of  
the Ontario Securities Commission  
—Volume D5, Irving Aaron, July  
12, 1967.
4901. Transcript of examination con-  
ducted pursuant to the order of  
the Ontario Securities Commission  
—Volume D6, Wm. Arthur Pike,  
July 12, 1967.
4902. Transcript of examination con-  
ducted pursuant to the order of  
the Ontario Securities Commission  
—Volume D7, Norman Alexander  
Armstrong, Thomas Alexander  
Armstrong, July 13, 1967.
4903. Transcript of examination con-  
ducted pursuant to the order of  
the Ontario Securities Commission  
—Volume D8, Ada Florence  
Palmer, July 28, 1967.
4904. List of examinations in bankruptcy  
—(Exhibit 4905 to Exhibit 4910  
inclusive).
4905. Transcript of examination of An-  
drew Calladine in bankruptcy of  
Belfield Investments Limited, De-  
cember 21, 1964.
4906. Transcript of examination of Roy  
Gordon Calladine in bankruptcy of  
Belfield Investments Limited, Janu-  
ary 28, 1965.



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4907.	Transcript of examination of Roy Gordon Calladine in bankruptcy of Belfield Investments Limited, March 8, 1965.	4921.	Certified copies of documents on file in the Department of The Provincial Secretary for Ontario re Arthritic and Rheumatic Baths Limited.
4908.	Transcript of examination of Roy Gordon Calladine in bankruptcy of Belfield Investments Limited, March 31, 1965.	4922.	Certified copies of documents on file in the Department of The Provincial Secretary for Ontario re Boneto Food Limited.
4909.	Transcript of examination of Roy Gordon Calladine in bankruptcy of Belfield Investments Limited, January 19, 1966.	4923.	Certified copies of documents on file in the Department of The Provincial Secretary for Ontario re Bonito Foods Limited.
4910.	Transcript of examination of Melba Love in bankruptcy of Belfield Investments Limited, January 25, 1965.	4924.	Certified copies of documents on file in the Department of The Provincial Secretary for Ontario re Indian Line Investments Limited.
4911.	List of miscellaneous documents—(Exhibit 4912 to Exhibit 4915 inclusive).	4925.	Certified copies of documents on file in the Department of The Provincial Secretary for Ontario re Kenveigh Development Company Limited.
4912.	Affidavit of Mildred L. Morgan, dated 30 June, 1967.	4926.	Certified copies of documents on file in the Department of The Provincial Secretary for Ontario re Towers Marts of Canada Limited.
4913.	Atlantic Acceptance Corporation Limited in receivership—Report of Montreal Trust Company dated 15 August, 1967.	4927.	Certified copies of documents on file in the Department of The Provincial Secretary for Ontario re Towers' Marts and Properties Limited.
4914.	Atlantic Acceptance Corporation Limited in receivership—Financial statements, December 31, 1966 received from Montreal Trust Company.	4928.	Certified copies of documents on file in the Department of The Provincial Secretary for Ontario re William's Millinery Limited.
4915.	Photostatic copy of minute book of Wildor Holdings Limited.	4929.	Index of files from the offices of Gilbert R. Barrett, C. A. (Exhibits 4930 to 4932 inclusive).
4916.	List of the membership of the Trust Companies Association of Canada at September 1967 received from Mr. Nelson, Executive Director of the Association.	4930.	File from the office of Gilbert R. Barrett re Highlight Distributors Limited.
4917.	List of officers holding office in the Trust Companies Association of Canada for year 1967-1968, received from Mr. Nelson, Executive Director of the Association.	4931.	File from the office of Gilbert R. Barrett re Mart Buying Services Limited.
4918.	Submission to the Royal Commission on Atlantic Acceptance Corporation Limited by the Trust Companies Association of Canada.	4932.	File from the office of Gilbert R. Barrett re Tor-Mont Musical Instruments Limited.
4919.	List of certified copies of documents on file in the Department of the Provincial Secretary for Ontario —(Exhibit 4920 to Exhibit 4928 inclusive).	4933.	Index of files from the offices of Shuyler, Ecclestone & Green—(Exhibits 4934 to 4940 inclusive).
4920.	Certified copies of documents on file in the Department of The Provincial Secretary for Ontario re Allied Towers Merchants Limited.	4934.	File from the offices of Shuyler, Ecclestone & Green entitled "British Mortgage & Trust Company loan to Miranda Construction Ltd., part Lot 23, Shaft Road, Etobicoke".

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4935.	File from the offices of Shuyler, Ecclestone & Green entitled "British Mortgage & Trust Company Loan to Calladine Bros. Builders Ltd., re Lot 128, Oakdale Road, North York".		the Registry Office of the County of York in the Province of Ontario re 50 Belfield Road Limited, part of Lots 24 and 25, Concession 1, Etobicoke.
4936.	File from the offices of Shuyler, Ecclestone & Green entitled "British Mortgage & Trust Company Loan to Roy G. Calladine et al, 350 Blackthorn Avenue, Toronto".	4945.	Certified copies of abstract of title no. 25454 and Instrument Nos. 275169 and 281160 registered in the Registry Office of the County of York in the Province of Ontario re Indus Investments Limited, part of Lot 25, Concession 3, Etobicoke.
4937.	File from the offices of Shuyler, Ecclestone & Green entitled "British Mortgage & Trust Company Loan to Miranda Construction (Carnforth Leaseholds Ltd.), Carnforth Road, R Plan 249-3100".	4946.	Certified copies of abstract of title no. 25451 and Instrument Nos. 261280, 262633, 265262, 266234 and 281159 registered in the Registry Office of the County of York in the Province of Ontario re 60 Belfield Road Limited, part of Lots 24 and 25, Concession 1, Etobicoke.
4938.	File from the offices of Shuyler, Ecclestone & Green entitled "British Mortgage & Trust Company Loan to Miranda Construction Ltd., Lot 132, Rt. Lot 133, Oakdale Road, North York".	4947.	Certified copies of abstract of title no. 25452 Instrument Nos. 254887, 255932, 257652, 257696 and 267137 registered in the Registry Office of the County of York in the Province of Ontario re Belfield Investments Limited, part of Lots 24 and 25, Concession 1, Etobicoke.
4939.	File from the offices of Shuyler, Ecclestone & Green entitled "British Mortgage & Trust Company Loan to Calladine Bros. re Carnforth Road, North York".	4948.	Certified copies of abstract of title no. 49562 and Instrument Nos. 49792, 51287 and 52133 registered in the Registry Office of the County of Peel in the Province of Ontario, re Parkay Investments Limited, part of Lot 4, Concession 2, East Hurontario Street, Brampton.
4940.	File from the offices of Shuyler, Ecclestone & Green entitled "British Mortgage & Trust Company Loan to Varsity Construction re Pt. Lot 1, Plan R365, Carnforth Road".	4949.	Certified copies of abstract of title no. 25453 and Instrument No. 287998 registered in the Registry Office of the County of York in the Province of Ontario, re Flomar Securities Limited, part of Lot 24, Concession 1, Etobicoke.
4941.	List of certified copies of abstracts of title and instruments registered in the Registry Office of the counties of Peel and York in the Province of Ontario (Exhibit 4942 and 4952 inclusive).	4950.	Certified copy of lease no. 284507 registered in the Registry Office of the County of York in the Province of Ontario re Trans-Dallas Investments Limited and Sherbrooke Paper Products Limited.
4942.	Certified copies of abstract of title no. 25456 and Instrument Nos. 286749, 286750, 285119, 286748 and 277086 registered in the Registry Office of the County of York in the Province of Ontario re Trans-Dallas Investments Limited, part of Lot 25, Concession 3, Etobicoke.	4951.	Certified copy of mortgage no. 281161, registered in the Registry Office of the County of York in the Province of Ontario,—50 Belfield Road Limited, 60 Belfield Road Limited, Trans-Dallas Investments Limited, Indus Investments Limited and Surpass Investments Limited to Aurora Leasing Corporation Limited.
4943.	Certified copies of abstract of title nos. 25455 and Instrument Nos. 275170, 277526, and 281158 registered in the Registry Office of the County of York in the Province of Ontario re Surpass Investments Limited, part of Lot 25, Concession 3, Etobicoke.		
4944.	Certified copies of abstract of title no. 25804 and Instrument Nos. 266021 and 266022 registered in		

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4952.	Certified copy of abstract of title no. 69588A registered in the Registry Office of the County of York in the Province of Ontario re Hi-Homes Limited, Block "B", Plan 541, Town of Newmarket.	4963.	Certified copies, received from Victoria and Grey Trust Company of ledger cards of British Mortgage & Trust Company for mortgage account of Parkay Investments Limited.
4953.	List of miscellaneous documents, (Exhibit 4954 to Exhibit 4995 inclusive).	4964.	Certified copies, received from Victoria and Grey Trust Company of ledger cards of British Mortgage & Trust Company for mortgage account of Trans-Swiss Investments Limited.
4954.	Minute book of Dale Estate Limited for the period May 1, 1959 to June 22, 1962.	4965.	Certified copy of indictment from the office of the Clerk of the Peace, County of York, the Queen vs. Harry Wagman, January 1968.
4955.	General ledger of Hilltop Holdings Limited for the period January 1954 to February 1962.	4966.	Certified copy of indictment from the office of the Clerk of the Peace, county of York, the Queen vs. William Louis Walton, November 1965.
4956.	Schedule prepared by Touche, Ross, Bailey & Smart entitled "Lucayan Beach Hotel and Development Limited and Subsidiary Companies, Consolidated Profit and Loss Account from February 1, 1964 to September 30, 1967".	4967.	Certified copy of indictment from the office of the Clerk of the Peace, county of York, the Queen vs. William Louis Walton, October 1967.
4957.	Certified copies of corporate records from the Office of the Registrar General, Nassau, Bahamas re Daylite of Grand Bahama Company Limited.	4968.	Photostatic copies of income tax returns of L. W. Facey for the period 1962-1965 inclusive.
4958.	Certified copies of corporate records from the office of the Registrar General, Nassau, Bahamas, re Lucayan Beach Management Limited.	4969.	Report on Dalite Corporation (Canada) Limited, interim statement of receipts and disbursements for the period August 11, 1965 to July 31, 1967 prepared by The Clarkson Company.
4959.	Letter from Price, Waterhouse & Company, Freeport, Bahamas with enclosures dealing with payment of British Mortgage & Trust Company cheque for \$50,000 U.S. to Peter D. Graham, Solicitor, Nassau.	4970.	Interim report of the Receiver and Manager of Atlantic Acceptance Corporation Limited 1967 prepared by Montreal Trust Company, dated February 27, 1968.
4960.	Letter from Barbeau, McKercher & Collingwood, Vancouver, B.C., enclosing sworn affidavit of L. W. Facey and photostatic copy of undertaking signed by R. G. Calladine re Belfield Investments Limited and its associated Real Estate Holding Companies.	4971.	Certified photostatic copy of the assignment of book debts to Commodore Sales Acceptance Limited from Aurora Leasing Corporation Limited made December 21, 1960 received from Clerk of County Court, County of York.
4961.	Certified copies, received from Victoria and Grey Trust Company of ledger cards of British Mortgage & Trust Company for mortgage account of Black Duke Investments Limited.	4972.	Ledger card received from Toronto-Dominion Bank for U.S. dollar account of Atlantic Acceptance Corporation Limited covering period May 31, 1965 to June 18, 1965.
4962.	Certified copies, received from Victoria and Grey Trust Company of ledger cards of British Mortgage & Trust Company for Mortgage Account of Hi-Homes Limited.	4973.	Schedule prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Loan to Belfield Investments Limited".



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4974.	Schedule prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Loan to 60 Belfield Road Limited".	4986.	Schedules prepared by Touche, Ross, Bailey & Smart summarising the position of the Belfield Companies in the property management trust account of British Mortgage & Trust Company at November 12, 1963, April 1, 1964, April 14, 1964, May 31, 1964, and at various dates during June 1964.
4975.	Schedule prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Loan to 50 Belfield Road Limited".	4987.	Certified photostatic copies, received from Bank of Nova Scotia, of banking documents pertaining to account of William L. Walton at the Bank of Nova Scotia, College & Bathurst, Toronto, for the period 1961-1963 inclusive.
4976.	Schedule prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Loan to Indus Investments Limited".	4988.	Certified photostatic copies of documents relating to Clairtone Sales Limited and Hi-Way Warehousing including letter of agreement and cancelled cheques from the office of Clairtone Sales Limited.
4977.	Schedule prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Loan to Surpass Investments Limited".	4989.	Certified copy of assignment of book debt. Bank of Nova Scotia and Hi-Way Warehousing from the office of the Clerk of the County Court, County of York.
4978.	Schedule prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Loan to Trans-Dallas Investments Limited".	4990.	Certified photostatic copies of leasing documents between Commonwealth Premium Company Limited and Hi-Way Warehousing from the office of Commonwealth Premium Company Limited.
4979.	Schedule prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Loan to Parkay Investments Limited".	4991.	Certified photostatic copies, received from Victoria and Grey Trust Company, of collateral savings account ledger cards of Belfield Investments Limited at British Mortgage & Trust Company.
4980.	Schedule prepared by Touche, Ross, Bailey & Smart entitled "British Mortgage & Trust Company, Loan to Trans-Swiss Investments Limited".	4992.	Certified photostatic copies, received from Canadian Imperial Bank of Commerce of ledger cards for current account of Belfield Investments Limited for the period January 1962-March 1964 at the Canadian Imperial Bank of Commerce.
4981.	File no. 14626 from the office of British Mortgage & Trust Company, Stratford, Ontario re 50 Belfield Road.	4993.	Certified photostatic copies, received from Royal Bank of Canada of ledger cards for account of Belfield Investments Limited for the period April 1964 to October 1964 at the Royal Bank of Canada.
4982.	File no. 14627 from the office of British Mortgage & Trust Company, Stratford, Ontario re 60 Belfield Road.	4994.	Certified photostatic copy of Identity No. 266773—Indian Line Investments Limited and Indus Investments Limited from the office of the Registry Division of the east and west ridings of the County of York.
4983.	Certified true copies, received from Victoria and Grey Trust Company, of British Mortgage & Trust Company ledger cards re short term loans to Aurora Leasing Corporation Limited.		
4984.	Certified photostatic copies, received from Toronto-Dominion Bank, of deposit slips, signature card and ledger card for account of Cecil R. Early at Toronto-Dominion Bank.		
4985.	Letter dated February 1, 1968 from the Law Society of Upper Canada to the Royal Commission on Atlantic Acceptance Corporation Limited with reference to Maxwell L. Rotstein.		

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
4995.	Certified photostatic copies of appraisal reports on Belfield Investments Limited Properties prepared by Stewart, Young & Mason, Real Estate appraisers.	5006.	File from the office of Clarkson Gordon & Company re Belfield Investments Limited, current audit, 1962.
4996.	List of files from the office of the Clarkson Company Limited re Belfield Investments Limited, (Exhibit 4997 to Exhibit 5004 inclusive).	5007.	File from the office of Clarkson Gordon & Company re Belfield Investments Limited, audit 1963.
4997.	File from the office of the Clarkson Company Limited containing correspondence re Belfield Investments Limited, September to December 1964.	5008.	File from the office of Clarkson Gordon & Company re Belfield Investments Limited, working papers, balance sheet, October 31, 1963.
4998.	File from the office of the Clarkson Company Limited containing correspondence re Belfield Investments Limited, January to February 1965.	5009.	List of files from Victoria and Grey Trust Company re Belfield Investments Limited, (Exhibit 5010 to Exhibit 5019 inclusive).
4999.	File from the office of the Clarkson Company Limited containing correspondence with Belfield Investments Limited re cancellation of Hi-Way Warehousing lease.	5010.	File from the office of Victoria and Grey Trust Company re the Clarkson Company Limited — Trustees for Belfield Properties.
5000.	File from the office of the Clarkson Company Limited containing minutes of meetings for creditors & inspectors re Belfield Investments Limited.	5011.	File from the office of Victoria and Grey Trust Company re property management, monthly statements —70 Belfield Road.
5001.	File from the office of the Clarkson Company Limited re examinations for discovery in bankruptcy of Belfield Investments Limited.	5012.	File from the office of Victoria and Grey Trust Company re property management, monthly statements —50 Belfield Road.
5002.	File from the office of the Clarkson Company Limited containing copies of agreement between Belfield Investments Limited and Ethnic Breweries Limited, unaudited balance sheet of Ethnic Breweries at August 31, 1964 and working papers.	5013.	File from the office of Victoria and Grey Trust Company re property management, monthly statements —60 Belfield Road.
5003.	File from the office of the Clarkson Company Limited containing correspondence, working papers and appraisals re Ethnic Breweries Limited.	5014.	File from the office of Victoria and Grey Trust Company re property management, monthly reports — Trans-Dallas Building.
5004.	File from the office of the Clarkson Company Limited containing correspondence and working papers re financial information on Belfield buildings.	5015.	File from the office of Victoria and Grey Trust Company re property management, monthly statements —Indus Building.
5005.	List of files from Clarkson Gordon & Company re Belfield Investments Limited, (Exhibit 5006 to Exhibit 5008 inclusive).	5016.	File from the office of Victoria and Grey Trust Company re property management, monthly statements —Surpass Building.
		5017.	File from the office of Victoria and Grey Trust Company re Belfield Trust—51 Belfield Road and Flo-mar Securities Limited.
		5018.	File no. 15294 from the office of Victoria and Grey Trust Company re Streetsville Investments Limited (Jay-Mill Holdings Limited).
		5019.	File from the office of Victoria and Grey Trust Company containing memoranda re outside companies —Belfield Investments Limited.

<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
5020.	List of files from the offices of Shuyler, Ecclestone & Green re L. W. Facey, (Exhibit 5021 to Exhibit 5027 inclusive).	5031.	Documents from Stiver, Vale, Peppiatt & Errington, Solicitors, Newmarket re Hi-Homes Limited and British Mortgage & Trust Company.
5021.	File no. 5637 from the offices of Shuyler, Ecclestone & Green containing correspondence with L. W. Facey re Showhome Associates Limited.	5032.	File from the office of Bruce McGuire, Solicitor, entitled "Frederick Michaels".
5022.	File no. 5232 from the offices of Shuyler, Ecclestone & Green re L. W. Facey Purchase from Rivington Construction Limited, Lots 203 & 204 Hanbury Road, Etobicoke.	5033.	Copies of clients' ledgers obtained from J. H. Crang & Company, Stockbrokers, Stratford for W. P. Gregory, W. A. Pike and Lucy Pike.
5023.	File no. 5233 from the offices of Shuyler, Ecclestone & Green re L. W. Facey Sale to Furbacher, Lots 203 & 204 Hanbury Road, Etobicoke.	5034.	Five volumes of the books of account of Hi-Way Warehousing received from R. Dixon of Hi-Way Warehousing.
5024.	File no. 5639 from the offices of Shuyler, Ecclestone & Green containing correspondence with L. W. Facey re Discharge of Mortgage to Denton.	5035.	File obtained from Fred T. Reisman, C.A., entitled "L. W. Facey" containing copy of 1963 tax return and copy of ledger sheet re Hi-Homes.
5025.	File no. 5705 from the offices of Shuyler, Ecclestone & Green containing correspondence with L. W. Facey re Bayview Avenue Property.	5036.	Documents obtained from Roberts & Anderson, Solicitors, re Streetsville Investments Limited.
5026.	File no. 6280 from the offices of Shuyler, Ecclestone & Green re L. W. Facey sale to Huxtable (Lake Simcoe Property).	5037.	File from Messrs. Gordon, Keyfetz, Hall & Baker, Solicitors re Belfield Investments Limited.
5027.	File no. 6289 from the offices of Shuyler, Ecclestone & Green re L. W. Facey sale to Hing (Lake Simcoe Property).	5038.	Certified copy, received from Bank of Montreal, of banking resolution dated 28 November 1963 and ledger card for property management account of British Mortgage & Trust Company for September 1964 at Bank of Montreal, Yonge & Eglinton branch.
5028.	List of miscellaneous documents (Exhibit 5029 to Exhibit 5088 inclusive).	5039.	Envelope containing photostatic copies of documents re C. Early purchase from Indian Line Investments Limited.
5029.	Affidavit and certified copies of L. W. Facey account no. 1114, Bank of Montreal, Yonge & Eglinton Branch, Toronto, including copies of cheques, deposit slips, demand loan diary and three original Belfield investment cheques.	5040.	Photostatic copies, received from E. M. Sprackman, C.A., of documents relating to purchase by Aurora Leasing Corporation Limited of Indian Line Investments Limited mortgage on pt. Lots 25 and 26, Concession 3, Etobicoke, February 1965.
5030.	File from offices of Magwood, Frith & Casey entitled "Facey Sale to Phillips — 6 Tetbury Crescent, North York", containing certified copies of ledger sheets re sale of 38 North Hills Terrace and purchase of 6 Tetbury Crescent, and agreements, deed and correspondence.	5041.	Envelope of documents from Blake, Cassels & Graydon containing: a) carbon copy of release dated February 7, 1963 re Century Insurance Company Limited policies no. 256811 and no. 256824—50 & 60 Belfield Road. b) Original Direction to Coronation Investments Limited, and Blake, Cassels & Graydon, dated



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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
	January 31, 1963 from 50 Belfield Road Limited and 60 Belfield Road Limited re proceeds of Second mortgage of \$400,000 on 50 and 60 Belfield Road.	5048.	Cancelled cheque dated July 24, 1964 to Avenue Road Marine in the amount of \$200 signed "J. W. Shaw, Comptroller" and copies of two invoices dated August 19, 1963 to J. W. Shaw from Avenue Rd. Marine re purchase of boat.
	c) Original paid cancelled certified cheque—Blake, Cassels & Graydon, trust no. 485, dated February 7, 1963 to Margaret Facey in amount of \$7,329.80 endorsed on the reverse side, "Margaret Facey" negotiated at the Canadian Imperial Bank of Commerce, York Mills & Parkwood Village Drive Branch, February 12, 1963.	5049.	Certified cheque dated October 4, 1963 from Belfield Investments Limited to Mr. C. Early in amount of \$15,000.
5042.	Photostatic copies of ledger cards, demand loan diary and signature card for joint account no. 26 in names of William Arthur Pike and Lucy Pike at Royal Bank of Canada, Stratford, covering period January 1955 to February 1966.	5050.	Photographs of L. W. Facey's cottage.
5043.	Photostatic copies of ledger cards for joint account no. 5945 in names of Roy and Georgina Calladine at the Toronto-Dominion Bank, Eglinton & Dufferin, covering period December 2, 1959 to February 22, 1966.	5051.	File from the office of Feller & Kates, Real Estate Brokers, re Lanigan Lease.
5044.	Documents from Hurst Electric Sales & Service, Orillia re L. W. Facey including copies of invoices and cheque and contracts re cottage.	5052.	Schedules prepared by Mr. R. Crawford, Touche, Ross, Bailey & Smart, re British Mortgage & Trust Company loans to Belfield Companies.
5045.	Letter from Toronto-Dominion Bank, 2211 Dundas St. W. & Ronvesvalles Ave. to Royal Commission on Atlantic Acceptance Corporation Limited dated June 27, 1967 stating that they cannot locate any account in name of Mr. C. R. Early.	5053.	Schedule prepared by Mr. R. Crawford, Touche, Ross, Bailey & Smart, re Facey loans to Belfield and repayments from British Mortgage & Trust Company property management account.
5046.	Certified copy, received from Victoria and Grey Trust Company, of ledger card for mortgage account of Streetsville Investments Limited at British Mortgage & Trust Company for loan of \$246,000 on property at 190 Queen St. South, Streetsville, and photostatic copy of cheque of British Mortgage & Trust Company dated July 26, 1963 in amount of \$1,000 to L. W. Facey.	5054.	Documents obtained from N. A. Armstrong, Armstrong Door Company, re 70 Belfield Road.
5047.	Certified copy received from Canadian Imperial Bank of Commerce of ledger card for account of C. R. Early at Canadian Imperial Bank of Commerce, January 9, 1962 to March 8, 1962.	5055.	Box containing paid cancelled cheques, Belfield Investments Limited, 1962-1964.
		5056.	Schedule prepared by Touche, Ross, Bailey & Smart, entitled "Payments to L. W. Facey & M. Facey, 1962-1964" plus 4 cheques payable to L. W. Facey by Belfield Investments Limited.
		5057.	Certified copies, received from Victoria and Grey Trust Company, of ledger cards for account no. 7 in name of W. A. Pike at British Mortgage & Trust and ledger cards for mortgage account no. 14173 of W. A. Pike & Mrs. Lucy Pike for loan of \$20,000.
		5058.	L. W. Facey—Credit card vouchers 1963-1964, B.P. Canada Limited, obtained from Fred T. Reisman, C.A.
		5059.	W. A. Pike—Credit card vouchers, August 14, 1963 to October 7, 1964, B.P. Canada Limited, obtained from Fred T. Reisman, C.A.

<i>Exhibit No.</i>	<i>Description</i>
5060.	Shuyler, Ecclestone & Green client ledger card re Lawrence Facey, July 31, 1961 to November 23, 1966.
5061.	British Mortgage & Trust Company property management file entitled "Special Instructions re 50-60-70 Belfield Road".
5062.	Certified copies, obtained from Canada Permanent Mortgage Corporation, of ledger cards for savings account no. 2892 in name of A. M. Ecclestone at Canada Permanent Mortgage Corporation, November 30, 1961 to April 12, 1965.
5063.	Documents relating to British Mortgage & Trust Company property management account at Bank of Montreal, Yonge St. & Eglinton Ave.: deposit book, May 25 to July 31, 1964, duplicate cheque register May 1964, paid cancelled cheques and original bank ledger cards May and June, 1964.
5064.	Ledger card, received from Bank of Montreal, for Account of R. G. Calladine at Bank of Montreal, Fairbank branch, covering period December 27, 1961 to June 8, 1964.
5065.	Certified copies, obtained from Bank of Nova Scotia, of ledger cards and other banking documents for account of Hi-Way Warehousing at Bank of Nova Scotia, Yonge & Eglinton, for the period September 17, 1963 to December 18, 1964.
5066.	Certified copies of banking documents for personal chequing account no. 27004 in name of L. W. Facey at Bank of Nova Scotia, Yonge & Eglinton, for the period July 10, 1963 to November 15, 1965.
5067.	Certified copies, received from Bank of Montreal, of ledger cards for property management account of British Mortgage & Trust Company at Bank of Montreal, Yonge St. & Eglinton Ave. branch, covering the period April 21, 1964 to September 30, 1964.
5068.	Certified copies of documents on file in the Department of The Provincial Secretary for Ontario re Bar-Sak Associates Limited.
5069.	Ledger cards for noteholders of Atlantic Acceptance Corporation Limited 1963 and 1964, received from Atlantic Acceptance.

<i>Exhibit No.</i>	<i>Description</i>
5070.	Letter dated February 14, 1968 from Touche, Ross, Bailey & Smart to the Royal Commission on Atlantic Acceptance Limited enclosing extracts from accounting records of Spring & Greenbaum, Solicitors for 1963 and 1964.
5071.	Paid cancelled cheques and accounting documents of Messrs Spring & Greenbaum, and of Spring, Greenbaum & Rotstein from the office of Spring & Greenbaum.
5072.	Original trust ledger account book of Spring & Greenbaum for the period 1962 to 1964 from the office of Spring & Greenbaum.
5073.	Certificate signed by the Registrar in Bankruptcy, Supreme Court of Ontario stating that name of Marvin Rosen does appear in index book, assigned October 20, 1965, Higgins Co. Ltd., trustee.
5074.	File from the office of the Ontario Securities Commission relating to share trading and price quotations of Shares of Atlantic Acceptance Corporation Limited for the period 1956 to 1965 (incl.)
5075.	File from the office of the Chief Examiner, office of the Superintendent of Insurance, Ontario re British Mortgage & Trust Company.
5076.	File entitled "Groship Companies" containing certified copies of affidavits re issue of Debentures by Groship Companies to Commodore Sales Acceptance Limited received from Department of Provincial Secretary for Ontario, certified copies of affidavits of partnership registration received from Registry Office, Registry Division of Toronto and certified copy of assignment of book debts from Kelton Ultrasonics Limited to Standard Discount Corporation Limited received from Clerk of County Court, County of York.
5077.	Copy of letter from L. W. Facey to British Mortgage & Trust Company dated June 7, 1960, obtained from the office of W. A. Pike, British Mortgage & Trust Company, Stratford, Ontario, re loan to Calladine Brothers Building Limited for Carnforth Road, North York.
5078.	Copy of letter from L. W. Facey to British Mortgage & Trust Company dated November 4, 1960, obtained from the office of W. A.

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<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
	Pike, British Mortgage & Trust Company, Stratford, Ontario re loan to Miranda Construction Limited for Oakdale Road, North York.	5088.	List of shareholders of British Mortgage & Trust Company for 1963, 1964 & 1965 from the office of British Mortgage & Trust Company.
5079.	Copy of letter from L. W. Facey to British Mortgage & Trust Company dated November 25, 1960, obtained from the office of W. A. Pike, British Mortgage & Trust Company, Stratford, Ontario, re loan to Calladine Brothers for Carnforth Road, North York.	5089.	List of examinations conducted by Commission personnel pursuant to Ontario Securities Act (Exhibit 5090 to Exhibit 5107 inclusive).
5080.	Copies of correspondence covering the period January 1961 to November 1962 between L. W. Facey Toronto Mortgage Manager and British Mortgage & Trust Company, Stratford, obtained from the office of W. A. Pike, British Mortgage & Trust Company, Stratford, Ontario, re loan to Miranda Construction Company, Carnforth Road, North York.	5090.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume D9, Carol Mae Holt, October 11, 1967.
5081.	Three capital stock register books of British Mortgage & Trust Company for the period 1960 to 1966 from the office of British Mortgage & Trust Company.	5091.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume E1, Jan Duinker, October 12, 1967.
5082.	File from the office of British Mortgage & Trust Company containing cancelled capital stock register sheets of British Mortgage & Trust Company for the period 1960 to 1965.	5092.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume E2, Robert Andrew White, October 11, 1967.
5083.	Certified copy of declaration of copartnership no. 44620 re Hi-Way Warehousing, received from the Registry Office for the Registry Division of Toronto.	5093.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission — Volume E3, Charles Montgomery, October 11, 1967.
5084.	Cheque no. 36814 dated September 5, 1964 from Daylite of Grand Bahama Limited in the amount of £8,928.11.5 to Latham Marine Construction Company Limited.	5094.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume E4, Edward Lee, October 11, 1967.
5085.	Cheque no. 00731 dated September 24, 1964 in the amount of \$35,000 U.S. from Daylite of Grand Bahama Limited to Latham Marine Construction Company Limited.	5095.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume E5, Wilhelmina Eugina Bakenes, October 11, 1967.
5086.	Cheque no. 36860 dated October 17, 1964 in the amount of £5,357.-2.9. from Daylite of Grand Bahama Limited to Latham Marine Construction Company Limited.	5096.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission — Volume E6, Alfred Alonzo Amos, October 12, 1967.
5087.	British Mortgage & Trust Company policy manual from the office of British Mortgage & Trust Company.	5097.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume E7, Renee Fine, October 12, 1967.
		5098.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission — Volume E8, James Keith Breakey, October 12, 1967.
		5099.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume E9, John Raymond Shemilt, October 17, 1967.



<i>Exhibit No.</i>	<i>Description</i>	<i>Exhibit No.</i>	<i>Description</i>
5100.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume F1, Shirley Robertson, October 17, 1967.	5112.	Transcript of examination conducted by the Ontario Securities Commission — Campbell Powell Morgan, July 8, 1965.
5101.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume F2, Hubert Judd Stitt, November 20, 1967.	5113.	Transcript of examination conducted by the Ontario Securities Commission — Elias Yassin Rabbiah, February 10, 1964.
5102.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume F3, Maxwell L. Rotstein, January 18, 1968.	5114.	Transcript of examination conducted by the Ontario Securities Commission — Elias Yassin Rabbiah, February 25, 1964.
5103.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission — Volume F4, Alfred Meadows Ecclestone, January 31, 1968.	5115.	Transcript of examination conducted by the Ontario Securities Commission—Rudy H. Reiter, April 1, 1965.
5104.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume F5, William Arthur Pike, February 19, 1968.	5116.	Transcript of examination conducted by the Ontario Securities Commission—Rudy H. Reiter, May 5, 1965.
5105.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume F6, James Wallace McCutcheon, February 22, 1968.	5117.	List of voluntary depositions of Laurence William Facey and Francesco Fazio—(Exhibit 5118 to Exhibit 5121 inclusive).
5106.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission —Volume F7, James Elliot Thomson, April 3, 1968.	5118.	Transcript of voluntary deposition of Laurence William Facey, October 25, 1967.
5107.	Transcript of examination conducted pursuant to the order of the Ontario Securities Commission — Volume F8, Edward Morton Field, April 4, 1968.	5119.	Transcript of voluntary deposition of Laurence William Facey, October 26, 1967.
5108.	List of examinations conducted by the Ontario Securities Commission, (Exhibit 5109 to Exhibit 5116 inclusive).	5120.	Transcript of voluntary deposition of Laurence William Facey, October 27, 1967.
5109.	Transcript of examination conducted by the Ontario Securities Commission — Roy Gordon Calladine, May 14, 1965.	5121.	Transcript of voluntary deposition of Francesco Fazio, October 25, 1967.
5110.	Transcript of examination conducted by the Ontario Securities Commission — Roy Gordon Calladine, January 17, 1966.	5122.	Transcript of evidence of Benjamin C. Wheeler before the Securities and Exchange Commission on July 31, 1967 in the City of New York.
5111.	Transcript of examination conducted by the Ontario Securities Commission — Manfred Kapp, September 7, 1965.	5123.	Report of the Montreal Trust Company, Receiver and Manager of Atlantic Acceptance Corporation Limited, and Financial Statements as at December 31, 1967.
		5124.	Report of Clarkson Company Limited in eight volumes, all dated March 31, 1966, entitled "Atlantic Acceptance Corporation Limited, Commodore Sales Acceptance Limited, Commodore Factors Limited, Adelaide Acceptance Limited, Aurora Leasing Corporation Limited: Review of Loans".



## **APPENDIX C**

**Case Stated to the Court of Appeal  
in the Matter of  
The Public Inquiries Act R.S.O. 1960  
Chapter 323  
by the Commissioner**





IN THE SUPREME COURT OF ONTARIO

IN THE MATTER OF THE PUBLIC INQUIRIES ACT, R.S.O. 1960,  
CHAPTER 323

and

IN THE MATTER OF A COMMISSION APPOINTED TO INVESTI-  
GATE AND REPORT UPON THE AFFAIRS OF ATLANTIC  
ACCEPTANCE CORPORATION LIMITED BY LETTERS PATENT  
DATED THE 12TH DAY OF AUGUST, 1965

CASE STATED TO THE COURT OF APPEAL

I was appointed the Commissioner by the said Letters Patent and my terms of reference as set forth therein are as follows:

1. To investigate, inquire into and report upon,
  - (a) The events involved in and the causes of the recent failure of Atlantic Acceptance Corporation Limited to meet the obligations evidenced by its securities.
  - (b) The effect this failure has had on the money market in the Province of Ontario and on the affairs of any person, company, corporation or organization.
  - (c) The activities and conduct of any person, company, corporation or organization in relation, whether direct or indirect, to such failure and into the activities and conduct of any person, company, corporation or organization including British Mortgage & Trust Company who is, was or claims to be a creditor, debtor or security holder of Atlantic Acceptance Corporation Limited or of any company, corporation or organization which, in the opinion of you Our said Commissioner, is or was a subsidiary of, or associated with, Atlantic Acceptance Corporation Limited.
  - (d) The existing legislation relating to loan and trust corporations and to corporations engaged in the finance business and the money market generally, and to consider what, if any, additional legislation may be required in regard thereto.
2. To make such recommendations in regard to the above, as you Our said Commissioner may deem fit, to the Lieutenant Governor in Council.

AND WE DO HEREBY CONFER on you, Our said Commisisoner, the power to summon any person and require him to give evidence on

## APPENDIX C (Continued)

oath and to produce such documents and things as you Our said Commissioner deem requisite for the full investigation of the matters into which you are appointed to examine.

AND WE DO HEREBY FURTHER ORDER that all Our departments, boards, commissions, agencies and committees shall assist you, Our said Commissioner, to the fullest extent, and that in order to carry out your duties and functions, you shall have the authority to engage such counsel, research and other staff and technical advisers as you deem proper.

As will be seen from volume 94 of the transcript of the proceedings of the Commission taken on the 17th day of January, 1967, five copies of which are submitted herewith, notice was given by letter dated the 5th day of January, 1967 to those persons and their solicitors of record with the Commission that Counsel for the Commission intended on the 17th day of January, 1967 to offer in evidence at a public hearing of the Commission, transcripts of their testimony given in proceedings under the Bankruptcy Act, R.S.C. 1952, Chapter 14 as amended and under the Securities Act, R.S.O. 1960, Chapter 363 as amended in which transcripts it was recorded that the said persons had objected to answer the questions put to them on the grounds set forth in Section 5 of the Canada Evidence Act, R.S.C. 1952, Chapter 307 and Section 9 of the Evidence Act, R.S.O. 1960, Chapter 125 or either of them. The persons to whom the said letter was addressed were invited to show cause why these transcripts or any of them should not be received in evidence.

At a public hearing of the Commission on the 17th day of January, 1967, Counsel to the Commission, A. E. Shepherd, Q.C., offered in evidence a transcript of the examination for discovery of Manfred Kapp, taken on the 5th day of October, 1965 in connection with proceedings under the Bankruptcy Act in the matter of the bankruptcy of Evermac Office Equipment Limited and a transcript of the evidence of William Louis Walton, taken under similar circumstances on the 20th day of January, 1966 in the matter of the bankruptcy of Aurora Leasing Corporation Limited, the said Kapp and the said Walton having on the occasions of their examinations, pursuant to the provisions of the said statutes, objected to answer questions put to them and having then been directed to answer. J. B. Pomerant, Esq., appearing for Kapp and R. J. Carter, Esq., appearing for Walton objected to my receiving in evidence the said transcripts and the question of their admissibility was argued at length, as will appear from perusal of volume 94 of the Commission's proceedings referred to above.

At the conclusion of the argument and after consideration, I ruled that the said transcripts of evidence were receivable in evidence before me whereupon Mr. Pomerant asked me to state a case for the Court of

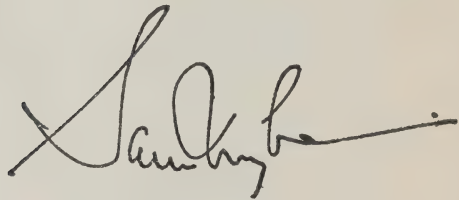


**APPENDIX C** (Continued)

Appeal pursuant to the provisions of Sub-Section 1 of Section 5 of the said Public Inquiries Act, an application with which Mr. Carter associated himself.

Was I right in ruling that the transcript of the evidence given by Manfred Kapp on discovery in the matter of the bankruptcy of Evermac Office Equipment Limited on 5th day of October, 1965 and the transcript of evidence of William Louis Walton given on discovery in the matter of the bankruptcy of Aurora Leasing Corporation Limited on the 20th day of January, 1966 were receivable in evidence before me and may be used by me as Commissioner appointed pursuant to the provisions of the Public Inquiries Act, R.S.O. 1960, Chapter 323, notwithstanding their having, on the occasions of giving such evidence, objected to answering questions put to them on the grounds stated in Section 5 of the Canada Evidence Act, R.S.C 1952, Chapter 307 and Section 9 of the Evidence Act, R.S.O. 1960, Chapter 125 and having been directed to answer the questions objected to?

DATED this 23rd day of January, 1967.

A handwritten signature in dark ink, appearing to read "Saulsby", with a long horizontal flourish extending to the right.

*Commissioner*

COURT OF APPEAL

Porter, C. J. O., MacKay and Kelly, JJ.A.

IN THE MATTER OF THE PUBLIC  
INQUIRIES ACT, R.S.O. 1960,  
CHAPTER 323;

AND IN THE MATTER OF A COMMISSION  
APPOINTED TO INVESTIGATE AND  
REPORT UPON THE AFFAIRS OF  
ATLANTIC ACCEPTANCE CORPORATION  
LIMITED BY LETTERS PATENT DATED  
THE 12TH DAY OF AUGUST, 1965.

*J. B. Pomerant and  
R. J. Carter*  
for Appellant (Plaintiff);

*Frank Callaghan Q.C.  
and A. E. Charlton*  
for the Attorney General  
for Ontario

*Argued 1st Feb. 1967.*

**PORTER, C. J. O. (Orally at the conclusion of the argument):**

This is a case stated by the Honourable Samuel Hughes as Commissioner under The Public Inquiries Act. The case is stated pursuant to section 5 of The Public Inquiries Act and reads as follows:

Was I right in ruling that the transcript of the evidence given by Manfred Kapp on discovery in the matter of the bankruptcy of Evermac Office Equipment Limited on 5th day of October, 1965 and the transcript of evidence of William Louis Walton given on discovery in the matter of the bankruptcy of Aurora Leasing Corporation Limited on the 20th day of January, 1966 were receivable in evidence before me and may be used by me as Commissioner appointed pursuant to the provisions of the Public Inquiries Act, R.S.O. 1960, Chapter 323, notwithstanding their having, on the occasions of giving such evidence, objected to answering questions put to them on the grounds stated in Section 5 of the Canada Evidence Act, R.S.C. 1952, Chapter 307 and Section 9 of the Evidence Act, R.S.O. 1960, Chapter 125 and having been directed to answer the questions objected to?"

The receipt and the use by the Commissioner appointed under The Public Inquiries Act of Ontario of the said transcript does not constitute the use and receiving of the answers given by the deponent Manfred Kapp to questions put to him on the said discovery, as evidence against him in a civil proceeding or in a proceeding under any Act of the Legislature.

For the same reasons the transcript of the evidence of William Louis Walton may be received and used by the said Commisisoner.

The question in the stated case should be answered in the affirmative. There should be no order as to costs.

## **APPENDIX D**

**Registered Shareholders  
Holding 1% or More of Shares  
in Each Class Issued  
and  
Registered Shareholdings of Directors  
as at June 30, 1964 and June 17, 1965  
as certified by  
Eastern & Chartered Trust Company  
(Now Canada Permanent Trust Company)  
as  
Transfer Agent and Registrar of  
Atlantic Acceptance Corporation Limited**





**APPENDIX D**

**ATLANTIC ACCEPTANCE CORPORATION LIMITED**

**Registered Shareholders  
Holding 1% or More of Shares in Each Class Issued**

**COMMON**

As of June 30, 1964—Treasury .....	444,718 shares
As of June 17, 1965—Treasury .....	699,718 shares

**1ST PREFERENCE**

As of June 30, 1964 and June 17, 1965 .....	14,515 shares
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**2ND PREFERENCE (Series A)**

As of June 30, 1964 and June 17, 1965 .....	190,000 shares
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**2ND PREFERENCE (Series B)**

As of June 30, 1964 and June 17, 1965 .....	10,000 shares
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**3RD PREFERENCE**

As of June 30, 1964 .....	25,000 shares
As of June 17, 1965 .....	10,000 shares

**COMMON**

	<i>June 30, 1964 (Treasury 444,718)</i>	<i>June 17, 1965 (Treasury 699,718)</i>
Barrett Goodfellow & Co., 330 Bay St., Toronto, Ontario. ....		15,665
British Mortgage & Trust Company, P.O. Box 128, Stratford, Ontario. ....	26,088	30,588
British Mortgage & Trust Corporation, Stratford, Ontario. ....	12,082	12,082
Consolidated Toronto Development, Corporation Limited, 80 King St. W., Toronto, Ontario. ....	214,790	214,790
Great Northern Capital Corporation Limited, 80 King St. W., Toronto 1, Ontario. ....		120,100
Home Smith Properties Limited, Room 1407—80 King St. W., Toronto 1, Ontario. ....	6,000	17,601
Humbria Limited, 80 King St. W., Room 1407, Toronto, Ontario. ....		11,259
O'Brien & Williams, P.O. Box 1836, Station B, Montreal 2, Quebec. ....		28,300
Hugo Oppenheimbank (Canada) Ltd., c/o Commodore Business Machines (Canada) Limited, 946 Warden Avenue, Scarborough, Ont. ....		75,000
C. Powell Morgan, 1208 Concourse Bldg., 100 Adelaide St. W., Toronto 1, Ont. ....	10,000	24,000
The Ford Foundation, 477 Madison Ave., New York 22, N.Y., U.S.A. ....	25,000	25,000

# APPENDIX D (Continued)

	<i>June 30, 1964</i> <i>(Treasury 444,718)</i>	<i>June 17, 1965</i> <i>(Treasury, 699,718)</i>
Heil & Co., c/o United States Trust Company, 45 Wall Street, New York 5, New York, U.S.A. ....	5,000	5,000
Hugo Oppenheim & Sohn Nachf, Berliner Private Bank, 32 Kurfurstemmdam Strasse, Berlin, West German. ....		11,390
McConnell Securities Corporation Ltd., Northern Life Bldg., 291 Dundas St., P.O. Box 3477, London, Ontario. ....	9,700	
Thomas & Co., c/o First National City Bank, 20 Exchange Place, New York, N.Y., 10015, U.S.A. ....	12,000	12,000
<b>1ST PREFERENCE</b> .....		14,515 Shares
	<i>June 30, 1964</i>	<i>June 17, 1965</i>
Brant Investments Limited, c/o The Royal Trust Company, 66 King St. W., Toronto 1, Ont. ....		305
British Mortgage & Trust Company, Stratford, Ontario. ....	1,395	1,395
British Mortgage & Trust Corporation of Ontario, Stratford, Ontario. ....	1,400	1,400
Empire Stamp Corporation Limited, 1150-52 Yonge St., Toronto 1, Ont. ....	150	280
First Investors Corporation Ltd., Financial Bldg., Edmonton, Alta. ....	550	
James W. Cochrane, 335 Bay St., Toronto, Ontario. ....	175	175
Mrs. Ruth S. Davidson, 3036 Woodland Park Rd., Burlington, Ontario. ....	192	192
Norman F. Firth, 144 St. Clair Ave., Hamilton, Ontario. ....	1,000	1,000
Mrs. Margaret Gill, 1231 Beach Dr., Victoria, B.C. ....	150	150
Edwin J. Hallett, c/o Royal Bank of Canada, King & Yonge Sts., Toronto 1, Ont. ....	200	200
Findlay Harvey, 31 Leacrest Ave., Toronto, Ont. ....	250	250
R. Douglas Hunter, 7 Woodruff Ave., St. Catharines, Ont. ....	275	275
Mrs. Nancy M. O. Kennedy, 9012—146 St., Edmonton, Alta. ....	150	150



APPENDIX D (Continued)

	<i>June 30, 1964</i>	<i>June 17, 1965</i>
Walter H. Martin, 3461 Credit Woodlands, Cooksville, Ont. ....	1,200	1,200
Mrs. Helen Frances May, Box 551, Niagara-On-The-Lake, Ontario. ....	700	700
David H. Medland, 12 Old Forest Hill Rd., Toronto 7, Ont. ....	250	250
John W. Medland, 12 Old Forest Hill Rd., Toronto 7, Ont. ....	250	250
J. Aubrey Medland, 12 Old Forest Hill Rd., Toronto 7, Ont. ....	1,000	
Miss Pamela H. Medland, 12 Old Forest Hill Rd., Toronto 7, Ont. ....		250
Mrs. Mildred L. Morgan, 11 St. Ives Cres., Toronto 12, Ont. ....	200	200
George E. Morrison, 2163 S. W. Marine Dr., Vancouver 14, B.C. ....		500
Mrs. Janel E. Reucassel, 114 Mona Dr., Toronto 12, Ontario. ....		250
Peter R. U. Stratton, 704-602 W. Hastings St. Vancouver 2, B.C. ....		200
Clyde Vivian, 5 Rosscliff Dr., Hamilton, Ontario. ....	200	200
Margaret L. Elliott, 17 Robinson St., Apt. 408, Hamilton, Ontario. ....	150	150
C. Grant Firth, 72 Cait Court, P.O. Box 145, Ancaster, Ontario. ....	1,400	1,400
James A. Moore, 3265 West 36th Ave., Vancouver 13, B.C. ....		150
R. Fleming, 503 Riverside Dr., Toronto 9, Ontario. ....	200	
Russell V. Fleming, 503 Riverside Dr., Toronto 9, Ontario. ....	150	

2ND PREFERENCE "A" ..... 190,000 Shares

	<i>June 30, 1964</i>	<i>June 17, 1965</i>
British Mortgage & Trust Co., 1 Ontario St., Stratford, Ontario ....	20,000	22,705
Cains & Co., c/o Bank of Montreal, Drummond & St. Catharine Sts. Branch, 1202 St. Catherine St. W., Montreal 2, Quebec. ....	2,000	2,000

## APPENDIX D (Continued)

	<i>June 30, 1964</i>	<i>June 17, 1965</i>
Corporate Investors Limited, 67 Yonge St., Ste. 1220, Toronto 1, Ontario. ....	3,000	5,000
Trust General Du Canada, A/C 252, 84 Ouest Rue St. Jacques, Montreal, Quebec. ....	4,000	4,000
Welland Securities Limited, Trust A/C b, 3 Robinson St., Niagara Falls, Ontario. ....	2,000	2,000
Frank R. Rutherford, 248 Bay St., Toronto 1, Ontario. ....	1,900	
The Ford Foundation, 477 Madison Ave., New York 22, N.Y., U.S.A. ....	45,000	45,000
Fonds F.I.C. Inc., 360 St. James St. W., Montreal 1, Quebec. ....	2,500	
<b>2ND PREFERENCE "B"</b> .....		10,000 Shares
Connecticut General Life Insurance Company, Hartford, Conn., U.S.A. ....	10,000	10,000
<b>3RD PREFERENCE</b>		
	<i>June 30, 1964</i> <i>(25,000 shares)</i>	<i>June 17, 1965</i> <i>(10,000 shares)</i>
Schmidt & Co., P.O. Box 1479, Church St. Station, New York, N.Y., U.S.A. ....	2,000	2,000
Thomas & Co., c/o First National City Bank, 20 Exchange Place, New York, N.Y., U.S.A. ....	8,000	8,000
Royal Securities Corporation Ltd., 360 Bay Street, Toronto 1, Ontario. ....	15,000	

### Registered Shareholdings of Directors as at June 30, 1964 and June 17, 1965

<b>COMMON</b>	<i>June 30, 1964</i>	<i>June 17, 1965</i>
C. P. Morgan, 11 St. Ives Crescent, Toronto 12, Ontario. ....	39	39
C. Powell Morgan, 1208 Concourse Bldg., 100 Adelaide St. W., Toronto 1, Ontario. ....	10,000	24,000

APPENDIX D (Continued)

	<i>June 30, 1964</i>	<i>June 17, 1965</i>
Wilfrid P. Gregory, Q.C., 1 Ontario St., Stratford, Ontario. ....	1,700	1,700
J. Aubrey Medland, 12 Old Forest Hill Rd., Toronto 7, Ontario. ....	3,000	4,000
Alan T. Christie, c/o Consolidated Toronto Development Corporation, 80 King St. W., Toronto 1, Ontario. ....	105	105
Anthony C. Rooney, Room 1407—80 King St. W., Toronto 1, Ontario. ....	100	
Walter H. Martin, 3461 Credit Woodlands, Cooksville, Ontario. ....	3,600	3,600
William H. Wallace, 1460 Macgregor Ave., Montreal, Quebec. ....	1,000	1,000
Paul C. Sheeline, 2 Wall St., New York 5, N.Y., U.S.A. ....	82	82
Jacques Kayaloff, 2 Wall St., New York, N.Y., U.S.A. ....	01	01

1ST PREFERENCE

C. P. Morgan, 11 St. Ives Cres., Toronto 12, Ontario. ....	18	18
Campbell P. Morgan, 11 St. Ives Cres., Toronto 12, Ontario. ....	10	10
Walter H. Martin, 3461 Credit Woodlands, Cooksville, Ontario. ....	1,200	1,200
J. Aubrey Medland, 12 Old Forest Hill Rd., Toronto 7, Ontario. ....	1,000	

2ND PREFERENCE, A & B

No Accounts for—

Campbell P. Morgan	A. C. Rooney
W. P. Gregory	W. H. Martin
J. A. Medland	W. H. Wallace
A. J. Christie	





## **APPENDIX E**

**Noteholders of  
Atlantic Acceptance Corporation Limited  
as at June 17, 1965  
prepared by  
Montreal Trust Company**

**(With respect to the 6¼ % first series subordinated  
notes due June 1, 1983, only the names of holders  
of fully-registered notes are shown.)**





## SHORT TERM SENIOR DEBT

Adams Brands Limited,  
40 Bertrand Avenue,  
Toronto, Ontario ..... \$200,000 Cdn.

The American Lutheran Church,  
242 South 5th Street,  
Minneapolis 15, Minnesota,  
U.S.A. .... \$500,000 U.S.

Angus Dale Limited,  
McConnell Securities Corp. Ltd.  
P.O. Box 3477,  
London, Ontario ..... \$250,000 Cdn.

Atlantic Sugar Refineries Company  
Limited,  
P.O. Box 7,  
Montreal, Quebec  
Attn: Mr. A. Beaulieu  
Vice-President—Finance.  
\$1,300,000 Cdn.

Aviation Electric Limited,  
Mr. J. De Montigny, Comptroller,  
200 Laurentian Blvd.,  
St. Lambert, Quebec ..... \$100,000 Cdn.

C. T. Ball  
c/o Bank of Montreal,  
Peel Street Branch,  
Montreal, Quebec  
Attn: Mr. A. M. Phillips ..... \$9,000 Cdn.

Commodore Sales Acceptance Limited,  
100 Adelaide Street West,  
Toronto, Ontario ..... \$750,000 Cdn.

James C. Binnie,  
13 Ottawa Street,  
Toronto 7, Ontario ..... \$20,000 Cdn.

The Borg/Warner Corporation,  
Attn: Mr. W. Valiant,  
200 South Michigan Avenue,  
Chicago 4, Illinois, U.S.A..... \$500,000 U.S.

The British Empire Motor Club  
Incorporated,  
c/o James Wallace, Esq.,  
Messrs. Beckett & Wallace,  
302 Bay Street,  
Toronto 1, Ontario ..... \$10,000 Cdn.

British Mortgage & Trust Company,  
Mr. J. D. Gordon,  
Stratford, Ontario ..... \$2,400,000 Cdn.

Walter W. Brydges,  
17 Robinson Street,  
Guelph, Ontario ..... \$100,000 Cdn.

Cains & Co.  
Suite 1150,  
2055 Peel Street,  
Montreal, Quebec ..... \$475,000 Cdn.

Calgary Brewing & Malting Company  
Limited,  
297 Victoria Street,  
Toronto, Ontario  
Attn: Mr. C. C. Henderson.... \$150,000 Cdn.

Campbell Soup Company Limited,  
60 Birmingham Street,  
New Toronto, Ontario  
Attn: Mr. John Hospodar,  
Comptroller ..... \$1,000,000 U.S.  
\$250,000 Cdn.

Canada & Dominion Sugar Company  
Limited,  
1410 Montmorency Street,  
Montreal, Quebec ..... \$100,000 U.S.  
\$250,000 Cdn.

Canada Permanent Trust Company,  
320 Bay Street,  
Toronto, Ontario ..... \$1,396,000 Cdn.

The Canadian Bar Association,  
Attn: Mr. R. C. Merriam Q.C., Secretary,  
Room 320,  
90 Sparks Street,  
Ottawa, Ontario ..... \$40,000 Cdn.

Canadian Gas & Energy Fund Limited,  
2200 Yonge Street,  
Toronto 12, Ontario ..... \$400,000 Cdn.

Canadian Utilities Limited,  
Wilner Building,  
Edmonton, Alberta ..... \$1,100,000 Cdn.

The Carling Breweries Limited,  
1047 Yonge Street,  
Toronto, Ontario  
Attn: Mr. Donald K. Marquis  
Vice-President—Finance  
\$450,000 Cdn.

Mr. C. C. Kimball,  
The Chesapeake & Ohio Railway  
Company,  
Law Department,  
3100 Terminal Towers,  
P.O. Box 6419, Cleveland, Ohio  
44101, U.S.A. .... \$2,000,000 U.S.

Chrysler of Canada Limited,  
Box 60,  
Windsor, Ontario  
Attn: Mr. W. C. McGage .... \$100,000 Cdn.

The Commonwealth Savings and Loan  
Corporation,  
170 The Donway West,  
Don Mills, Ontario  
Attn: Mr. Stan A. Senn,  
Comptroller ..... \$100,000 Cdn.

## APPENDIX E (Continued)

Commonwealth Trust Company,  
562 Burrard Street,  
Vancouver, B.C. .... \$200,000 Cdn.

Concordia Life Insurance Company,  
100 University Avenue,  
Toronto, Ontario ..... \$20,000 Cdn.

Consolidated Financial Corporation,  
Suite 1010,  
208 South La Salle Street,  
Chicago 4, Illinois, U.S.A.  
Attn: Mr. Peter B. Eriksen,  
Treasurer ..... \$1,010,000 Cdn.

Continental Can Company of Canada  
Limited,  
790 Bay Street,  
Toronto, Ontario  
Attn: T. G. Walsh,  
Treasurer ..... \$200,000 Cdn.

Corphold Limited,  
Suite 602,  
1224 St. Catharines Street West,  
Montreal, Quebec ..... \$42,000 Cdn.

Credit Suisse (Canada) Limited,  
1010 Beaver Hall Hill,  
Montreal, Quebec  
Attn: Mr. L. Weber ..... \$250,000 Cdn.

CTV Television Network Limited,  
42 Charles Street East,  
Toronto, Ontario ..... \$25,000 U.S.  
\$150,000 Cdn.

Cyanamid of Canada Limited,  
635 Dorchester Blvd. W.,  
Montreal, Que. .... \$250,000 Cdn..

Dajon Investments Limited,  
c/o Toronto Dominion Bank,  
30 Queen Street,  
St. Catharines, Ontario ..... \$10,000 Cdn.

Denison Mines Limited,  
4 King Street West,  
Toronto, Ontario ..... \$400,000 U.S.  
\$250,000 Cdn.

Dominion Securities Corporation Limited,  
50 King Street West,  
Toronto, Ontario  
Attn: Mr. N. D. Young,  
Vice-President ..... \$250,000 Cdn.

Domtor Company,  
c/o Toronto Dominion Bank,  
King and Bay Streets,  
Toronto, Ontario  
Attn: Mr. E. Lawrence,  
Dept. Gen. Mgr. .... \$125,000 Cdn.

Dow Chemical of Canada Limited,  
Sarnia, Ontario  
Attn: Mr. B. A. Howard,  
Treasurer ..... \$2,952,400 Cdn.

Moody's Investors Inc.,  
c/o Gairdner & Co.,  
320 Bay Street,  
Toronto, Ont. .... \$50,000 U.S.

James M. Dunwoody,  
330 Bay St.,  
5th Floor,  
Toronto, Ont. .... \$100,000 Cdn.

Evandon Exploration & Holding Limited,  
c/o Brian Donaldson,  
200 Bay Street, Room 301,  
Toronto, Ontario ..... \$195,596.65 Cdn.

Ed Ferguson Limited,  
3407 St. Clair Avenue East,  
Scarborough, Ontario ..... \$10,000 Cdn.

Federated Growth Fund Limited,  
20th Floor, Elveden House,  
Calgary, Alberta  
Attn: Mr. A. F. Womack,  
Senior Vice Pres. .... \$300,000 Cdn.

First National City Bank,  
399 Park Avenue,  
New York, N.Y. 10022,  
U.S.A.  
Attn: Canadian District .... \$3,000,000 U.S.

Gairdner & Company in Trust,  
320 Bay Street,  
Toronto, 1, Ontario ..... \$500,000 Cdn.

Arthur Galarneau,  
1300 Second Street East,  
Cornwall, Ontario ..... \$25,000 Cdn.

Gee & Co.,  
c/o Canadian Imperial Bank of Commerce,  
25 King Street West,  
Toronto, Ontario ..... \$205,000 Cdn.

Gold Bond Company,  
50 Colville Street,  
Toronto, Ontario ..... \$100,000 Cdn.

Great Northern Capital Corporation  
Limited,  
Attn: Mr. A. Roy Voelker,  
35 Old Mill Road,  
Toronto 18, Ontario ..... \$300,000 Cdn.

Gussmans Limited,  
1642 Notre Dame Street West,  
Montreal, Que. .... \$15,000 Cdn.

Moe Gussman,  
1642 Notre Dame St. West,  
Montreal, Que. .... \$10,000 Cdn.

Guycourt of New York,  
c/o Burns Bros. & Denton Limited,  
44 King St. West,  
Toronto, Ontario ..... \$10,000 U.S.

## APPENDIX E (Continued)

R. M. P. Hamilton, c/o General Engineering Co. Ltd., 100 Adelaide Street West, Toronto, Ontario .....	\$50,000 Cdn.	Minnesota Mining and Manufacturing Company, Building, 220 13W, 2501 Hudson Road, St. Paul, Minn., U.S.A. Attn: Mr. K. T. Bacon ....	\$1,000,000 U.S.
Hayes Steel Products Limited, Hayes Road, Thorold, Ontario .....	\$250,000 Cdn.	Montreal Trust Company, Account No. V 286, 112 King Street West, Toronto, Ontario .....	\$500,000 Cdn.
Hot Stove Lounge Club, 452 Church Street, Toronto, Ontario .....	\$60,000 Cdn.	Mrs. Helen L. Moore, 4 Darlingbrook Crescent, Islington, Ontario .....	\$20,000 Cdn.
John Francis Henderson, 5 Mallory Gardens, Apt. 502, Toronto 7, Ontario .....	\$50,000 Cdn.	Moulded Fibre Limited, 81 Elgin Street, Brantford, Ontario Attn: Mr. K. T. Hayden, Assistant Treasurer ....	\$75,000 Cdn.
Home Smith Properties Limited, 35 Old Mill Road, Toronto 18, Ontario .....	\$900,000 Cdn.	National Lead Company, 111 Broadway, New York, N.Y. 10006, U.S.A. Attn: Mr. Archer D. Sargent	\$2,500,000 U.S.
Hooker Chemical Corporation, 277 Park Avenue, New York, N.Y., U.S.A. ....	\$563,900 Cdn.	The National Life Assurance Company of Canada, 522 University Avenue, Toronto, Ontario .....	\$125,000 Cdn.
Humbria Limited, 35 Old Mill Road, Toronto 18, Ontario .....	\$50,000 Cdn.	National Trust Company, 21 King St. East, Toronto, Ontario .....	\$25,000 Cdn.
International Trust Company, 105 Adelaide Street West, Toronto, 1, Ontario .....	\$250,000 Cdn.	Chester W. Young, Assistant Treasurer, Northwest Nitro-Chemicals Ltd., P.O. Box 310, Medicine Hat, Alta. ....	\$250,000 U.S. \$275,000 Cdn.
Jefferson Lake Petrochemicals of Canada Limited, Pacific Building, Calgary, Alberta Attn: Mr. H. W. Manley, President .....	\$200,000 Cdn.	Miss Annemarie Otto, c/o Burns Bros. & Denton Limited, 44 King St. West, Toronto 1, Ontario .....	\$77,000 U.S.
Kent Trust & Savings Company, 381 Pelisier Street, Windsor, Ont. ....	\$50,000 Cdn.	Mrs. Annemarie Otto, c/o Burns Bros. & Denton Limited, 44 King Street West, Toronto 1, Ontario .....	\$8,000 U.S.
Lambert & Co., 660 Madison Avenue, New York, N.Y. 10021 .....	\$500,000 U.S.	Miss Barbara Otto, c/o Burns Bros. & Denton Limited, 44 King Street West, Toronto 1, Ontario .....	\$71,000 U.S.
August Lenz and Co. of Canada Limited, 1425 Bayview Avenue, Toronto, Ontario .....	\$20,000 Cdn.	Mrs. Hans Otto, c/o Burns Bros. & Denton Limited, 44 King Street West, Toronto 1, Ontario .....	\$33,000 U.S.
Eastern & Chartered Trust Company, Toronto, Ontario .....	\$506,000 Cdn.	Mrs. Ingeborg H. Holzhey Otto, c/o Burns Bros. & Denton Limited, 44 King St. West, Toronto, Ontario .....	\$70,000 U.S.
Madison Fund Inc., c/o Kuhn Loeb & Co., 40 Wall Street, New York, N.Y. 10005, U.S.A. Mr. John T. Monzani .....	\$1,000,000 U.S.		
William M. Mercer Limited, 21 King Street West, Toronto, Ontario .....	\$425,000 Cdn.		
Meta Uranium Mines Limited, c/o Brian Donaldson, 200 Bay Street, Room 301, Toronto, Ontario .....	\$264,039.12 Cdn.		



## APPENDIX E (Continued)

Mrs. Michael Peers, 224 Forest Hill Road, Toronto, Ontario .....	\$108,200 Cdn.	The Royal Trust Company, 10039 Jasper Avenue, Edmonton, Alberta .....	\$20,000 Cdn.
Petrogas Processing Ltd., 5th Floor, Pacific Building, Calgary, Alberta Attn: Mr. H. W. Manley, President .....	\$500,000 Cdn.	Bituminous Coal Institute of Canada, 159 Bay Street, Toronto, Ontario .....	\$10,000 Cdn.
Pilkington Glass Manufacturing Company Limited, 55 Eglinton Avenue East, Toronto, Ontario .....	\$250,000 Cdn.	Seven Up, Montreal Limited, 160 Graham Boulevard, Town of Mount Royal, Quebec Attn: Mr. W. Keith Wallace, President .....	\$200,000 Cdn.
The Procter & Gamble Company of Canada, Limited, P.O. Box 355, Terminal "A", Toronto, Ontario Attn: Mr. W. T. Watson, Assistant Treasurer .....	\$1,500,000 Cdn.	Shawinigan Chemicals Limited, P.O. Box 6030, Montreal, Quebec Attn: G. A. Donald, Treasurer .....	\$250,000 Cdn.
Quality Records Ltd., 380 Birchmount Rd., Toronto, Ontario .....	\$70,000 Cdn.	The Oshawa Wholesale Limited, Oshawa, Ontario .....	\$400,000 Cdn.
Range Investments Limited, c/o Greenshields, Inc., 11 Adelaide St. West, Toronto 1, Ontario .....	\$50,000 Cdn.	Skelly Oil Company, Box 1650, Tulsa, Oklahoma, U.S.A.....	\$1,080,000 Cdn.
Rayonier Canada 'B.C.' Limited, 1111 West Georgia Street, Vancouver, B.C. ....	\$750,000 Cdn.	Slimlake Mines Limited, Suite 509, 25 Adelaide Street West, Toronto, Ontario .....	\$20,000 Cdn.
Rayonier Inc., Attn: Mr. R. Allyn Buddington Jr., 161 East 42nd Street, New York 17, N.Y., U.S.A. ....	\$1,000,000 U.S.	T.C.F. of Canada Limited, Box 159, Cornwall, Ontario Attn: Allan R. Turner, Secretary Treasurer ....	\$325,000 Cdn.
Reed Shaw & McNaught, 25 Adelaide Street West, Toronto, Ontario. Attn: Mr. D. Bonyun, Comptroller .....	\$300,000 Cdn.	Hamilton Trust and Savings Corporation, Hamilton, Ontario .....	\$50,000 Cdn.
Regents of the University of Minnesota, c/o Northwestern National Bank, 6th and Marquette Streets, Minneapolis 2, Minnesota, U.S.A. ....	\$250,000 U.S.	The Toronto Dominion Bank, King and Bay Streets, Toronto 1, Ontario Attn: Mr. Edward Lawrence, Deputy General Manager .....	\$4,000,000 U.S. \$1,250,000 Cdn.
Richardson de Pencier Ltd., 217 Bay Street, Toronto 1, Ontario .....	\$25,000 Cdn.	The Trustees of The Procter and Gamble Company of Canada, Limited Profit Sharing Pension Plan, P.O. Box 355, Terminal "A", Toronto, Ontario Attn: Mr. W. T. Watson, Assistant Treasurer .....	\$135,000 Cdn.
The Royal Bank of Canada, 20 King Street West, Toronto 1, Ontario, Attn: Mr. H. E. McClenaghan, Assistant General Manager .....	\$2,000,000 Cdn.	Trustees of the University of Pennsylvania, 1500 Walnut Street, Philadelphia, Pa. 19102 Attn: Mr. L. T. Hundr, Jr....	\$568,000 Cdn.
Royal Securities Corporation, Limited, for the account of Walker Whitehead & Co. Ltd., 630 Dorchester Blvd. West, Montreal, Que. ....	\$10,000 Cdn.	The Underwriters Bank, Hamilton, c/o C. V. Starr & Co. Inc., Bermuda, 120 Maiden Lane, New York 5, N.Y., U.S.A. Attn: Mr. Kenneth N. Bell....	\$500,000 U.S.

**APPENDIX E (Continued)**

The Underwriter's National Assurance Company, 2859 North Meridian Street, Indianapolis, Indiana, U.S.A. ....	\$100,000 U.S.	Watson Lake Mines Limited, c/o Canadian Imperial Bank of Commerce, King and Bay Streets, Toronto, Ontario .....	\$20,000 Cdn.
Union Carbide Canada Limited, 123 Eglinton Avenue East, Toronto 12, Ontario Attn: Mr. A. W. G. Farwell	\$600,000 Cdn.	Witco Chemical Company, Inc., 277 Park Avenue, New York, N.Y. 10017, U.S.A. ....	\$1,000,000 U.S.
Hans Otto Wald, c/o Burns Bros. & Denton Limited, 44 King Street West, Toronto, Ontario .....	\$9,000 U.S.	Maple Leaf Gardens Ltd., Toronto, Ontario .....	\$150,000 Cdn.
			<hr/>
			\$33,520,137.77 Cdn.
			<hr/>
			\$19,953,000.00 U.S.
			<hr/>

**MEDIUM TERM SENIOR DEBT**

Aetna Insurance Company, c/o Connecticut General Life Insurance Co., Securities Dept. W. 32, Hartford, Connecticut 06115, U.S.A. Attn: Mr. Edward N. Bennett	\$2,000,000 U.S.	First National City Trust Company of Canada, 105 Adelaide Street West, Toronto, Ontario .....	\$100,000
Angusdale Limited, c/o Prismac Limited, Northern Life Building, 291 Dundas Street, London, Ontario .....	\$300,000	The Ford Foundation, 477 Madison Avenue, New York 22, N.Y., U.S.A. Attn: Mr. John E. Granger	\$2,000,000 U.S.
Burlington Investments Limited, Post Office Box 156, Burlington, Ontario Attn: Mr. W. R. Rodger, Secretary .....	\$100,000	Mrs. Nedra Pilkey, Post Office Box 156, Burlington, Ontario Attn: Mr. W. R. Rodger .....	\$40,000
		Prismac Limited, Northern Life Building, 291 Dundas Street, London, Ontario .....	\$400,000
			<hr/>
			\$4,940,000
			<hr/>

**LONG TERM SENIOR DEBT**

**6½% SERIES A NOTES, DUE JANUARY 1, 1967 (U.S.)**

American Missionary Association, c/o Chase Manhattan Bank, P.O. Box 1508, Church Street Station, New York 8, N.Y. Act. No. S23466 .....	\$170,000	The Fidelity Mutual Life Insurance Company, The Parkway at Fairmount Ave., Philadelphia 1, Pa. ....	\$423,000
Annuity Fund of Congregational Ministers, c/o The Bank of New York, P.O. Box 1364, New York 15, N.Y. Acct. 90071 .....	\$170,000	The Guardian Life Insurance Company of America, Park Avenue South at Seventeenth St., New York 3, N.Y. ....	\$423,000
Corporation for The General Council of the Congregational Christian Churches of the United States, c/o Hanover Bank, 70 Broadway, New York 15, N.Y. ....	\$42,000	Heil & Co., 45 Wall Street, New York 5, N.Y. ....	\$846,000
		Home Life Insurance Company, 253 Broadway, New York 8, N.Y. Attn: Securities Department .....	\$422,000

## APPENDIX E (Continued)

Massachusetts Mutual Life Insurance Company, 1295 State Street, Springfield 1, Mass. ....	Retirement Fund for Lay Workers, P.O. Box 238, New York 8, N.Y. ....
\$846,000	\$42,000
	<u>\$3,384,000</u>

### 6½% SERIES B NOTES, DUE JANUARY 1, 1976

Monray & Co., P.O. Box 1900, Postal Station 'B', Montreal 2, Que. ....	The T. Eaton Life Assurance Company, 190 Yonge Street, Toronto, Ontario .....
\$212,000	\$84,000
Montreal Trust Company, 112 King St. West, Toronto, Ontario .....	The Trustees of The Eaton Retirement Annuity Fund, 1 Hayter Street, Toronto, Ontario .....
\$212,000	338,000
	<u>\$846,000</u>

### 5¾% SERIES C NOTES, DUE OCTOBER 1, 1967

The T. Eaton Life Assurance Co., 190 Yonge St., Toronto, Ontario .....	The Trustees of the Eaton Retirement Annuity Plan, 1 Hayter St., Toronto, Ontario .....
\$100,000	\$500,000
	<u>\$600,000</u>

### 5¾% SERIES D NOTES, DUE OCTOBER 1, 1968

The T. Eaton Life Assurance Co., 190 Yonge Street, Toronto, Ontario .....	The Trustees of the Eaton Retirement Annuity Plan, 1 Hayter St., Toronto, Ontario .....
\$100,000	\$300,000
	<u>\$400,000</u>

### 6¼% SERIES E NOTES, DUE OCTOBER 1, 1969

The T. Eaton Life Assurance Co., 190 Yonge Street, Toronto, Ontario .....	The Trustees of the Eaton Retirement Annuity Plan, 1 Hayter Street, Toronto, Ontario .....
\$100,000	\$300,000
	<u>\$400,000</u>

### 6¼% SERIES F NOTES, DUE OCTOBER 1, 1970

The Trustees of the Eaton Retirement Annuity Plan, 1 Hayter St., Toronto, Ontario .....
\$100,000

### 6¼% SERIES G NOTES, DUE OCTOBER 1, 1971

The Trustees of the Eaton Retirement Annuity Plan, 1 Hayter Street, Toronto, Ontario .....
\$100,000



**APPENDIX E (Continued)**

**6% SERIES H NOTES, DUE JUNE 1, 1972**

The T. Eaton Life Assurance Company, 190 Yonge Street, Toronto, Ont. ....	\$200,000	Trustees of the Eaton Retirement Annuity Plan, 1 Hayter Street, Toronto, Ontario .....	\$500,000
			<hr/>
			\$700,000

**6% SERIES I NOTES, DUE JUNE 1, 1982**

The Canada Life Assurance Company, 330 University Avenue, Toronto, Ontario .....	\$250,000	Montreal Trust Company, Acct. T21, 15 King Street W., Toronto 1, Ontario .....	\$75,000
The Excelsior Life Insurance Company, 36 Toronto St., Toronto, Ontario .....	\$100,000	Montreal Trust Company, Acct. T22, 15 King St. West, Toronto 1, Ontario .....	\$50,000
The Imperial Life Assurance Company of Canada, 20 Victoria St., Toronto, Ontario .....	\$100,000	Montreal Trust Company, Acct. T463, 15 King St. West, Toronto 1, Ontario .....	\$25,000
Monray & Co., P.O. Box 1900, Station 'B', Montreal 2, Quebec .....	\$325,000	Montreal Trust Company, Acct. T464, 15 King St. West, Toronto 1, Ontario .....	\$50,000
Montreal Trust Company, P.O. Box 1900, Postal Station 'B', Montreal, Que. ....	\$150,000	The National Life Assurance Company of Canada, 522 University Ave., Toronto, Ontario .....	\$100,000
Montreal Trust Company, Acct. J-33, P.O. Box 695, St. John, N.B. ....	\$25,000		<hr/>
			\$1,250,000

**6% SERIES J NOTES, DUE JUNE 15, 1975 (U.S.)**

The Lincoln National Life Insurance Company, c/o Bankers Trust Company 98290, P.O. Box 704, Church Street Station, New York 8, N.Y. ....	\$1,250,000	The Guardian Life Insurance Company of America, 50 Union Square, New York 3, N.Y. ....	\$1,000,000
			<hr/>
			\$2,250,000

**6% SERIES K NOTES, DUE JUNE 15, 1975 (U.S.)**

Massachusetts Mutual Life Insurance Company, 1295 State Street, Springfield Mass., U.S.A. ....	\$1,000,000	The Berkshire Life Insurance Company, 700 South St., Pittsfield, Mass., U.S.A. ....	\$500,000
			<hr/>
			\$1,500,000

**6% SERIES L NOTES, DUE OCTOBER 1, 1974 (U.S.)**

Connecticut General Life Insurance Company, Hartford, Connecticut, Attn: Securities Dept. ....	\$1,000,000	First National City Bank, c/o Weber & Co., P.O. Box 1530, Grand Central Station, New York, N.Y. 10017 .....	\$1,000,000
Massachusetts Mutual Life Insurance Company, 1295 State St., Springfield, Mass. Attn: Investments Dept. ....	\$500,000		<hr/>
			\$2,500,000

## APPENDIX E (Continued)

### 6% SERIES M NOTES, DUE OCTOBER 1, 1979 (U.S.)

The Connecticut Mutual Life Insurance Company, 140 Garden St., Hartford 15, Conn. Attn: Gaylor Weir, Second Vice-President, Investments ....	\$1,000,000	Continental Illinois National Bank & Trust Co., a/c of State Farm Life Insurance Company, Lock Box 'H', Chicago 90, Illinois .....	\$500,000
Northwestern National Life Insurance Company, Box 430, Minneapolis 40, Minn. Attn: Securities Dept. ....	\$1,000,000		<hr/> \$2,500,000

### 5¾% SERIES N NOTES, DUE FEBRUARY 1, 1983 (U.S.)

Aetna Life Insurance Company, 151 Farmington Ave., Hartford, Conn. 06115, Attn: Securities Section— Cashiers Dept. ....	\$2,000,000	Continental Illinois National Bank & Trust Company, c/o State Farm Life Insurance Company, Lock Box 'H', Chicago 90, Illinois .....	\$500,000
The Connecticut Mutual Life Insurance Company, 140 Garden St., Hartford 15, Conn. Attn: Mr. G. C. Weir, Second Vice-President, Investments ....	\$2,000,000	The Travellers Insurance Company, 700 Main St., Hartford 15, Conn. Attn: Securities Dept. ....	\$2,000,000
Continental Assurance Company, 310 South Michigan Ave., Chicago 4, Illinois, Attn: Investment Dept. ....	\$1,000,000		<hr/> \$7,500,000

### 6¼% SERIES O NOTES, DUE JULY 15, 1978 (Cdn.)

The Travellers Insurance Company, 1 Tower Square, Hartford, Conn. 06115 .....	\$1,500,000
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### 6% SERIES P NOTES, DUE SEPTEMBER 1, 1976 (U.S.)

The Mutual Benefit Life Insurance Company, 520 Broad Street, Newark 1, New Jersey 07101, Attn: Securities Investment Dept. ....	\$1,500,000
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### 6% SERIES Q NOTES, DUE AUGUST 1, 1978 (U.S.)

Aetna Life Insurance Company, 151 Farmington Ave., Hartford, Connecticut 06115 Attn: Securities Section— Cashiers Dept. ....	\$2,000,000	The Guardian Life Insurance Company of America, 201 Park Avenue, South New York, New York 10003, Attn: Securities Investment Dept. ....	\$500,000
The Connecticut Mutual Life Insurance Company, 140 Garden Street, Hartford, Connecticut 06115 Attn: G. C. Weir, Esq., Second Vice-President, Securities .....	\$1,000,000	The Lincoln National Life Insurance Company, c/o Bankers Trust Company 98290, P.O. Box 704, Church Street Station, New York 8, N.Y. ....	\$1,000,000

APPENDIX E (Continued)

New England Mutual Life Insurance Company, 501 Boylston Street, Boston, Massachusetts 02117, Attn: Securities Dept. ....	\$2,000,000	Weber & Co., First National City Bank, P.O. Box 1530, Grand Central Station, New York, N.Y. 10017 .....	\$1,000,000
Phoenix Mutual Life Insurance Company, One American Row, Hartford, Connecticut 06115, Attn: Security Division .....	\$1,000,000		\$8,500,000

5½ % SERIES R NOTES, DUE FEBRUARY 1, 1980 (U.S.)

Aetna Life Insurance Company, 151 Farmington Avenue, Hartford, Conn. 06115, Attn: Securities Section— Cashiers Dept. ....	\$1,400,000	National Life Insurance Company, Montpelier, Vermont 05602 .....	\$700,000
Life and Casualty Insurance Company of Tennessee, Life and Casualty Tower, Nashville, Tenn. 37219 .....	\$280,000	Phoenix Mutual Life Insurance Company, 1 American Row, Hartford, Conn. 06115 .....	\$700,000
Massachusetts Mutual Life Insurance Company, 1295 State Street, Springfield 1, Mass. ....	\$2,100,000	The Union Central Life Insurance Company, Box 179, Cincinnati, Ohio 45201 .....	\$280,000
			\$5,460,000
		Total	\$40,990,000

6¼ % SUBORDINATED NOTES — FIRST SERIES, DUE JUNE 1, 1983

Coupon .....	\$3,631,000
Fully Registered .....	869,000
	\$4,500,000 Cdn.

A. Herbert Adams, 42 Abilene Drive, Islington, Ont. ....	\$10,000.00	Chris H. Anderson, 606 Pine Ave., Brooks, Alta. ....	\$1,000.00
Harold Adams, c/o Canada Trust Company, 40 King Street, St. Catharines, Ont. ....	\$5,000.00	Anthony J. Appel, 104 1065 West 11th Avenue, Vancouver, B.C. ....	\$1,000.00
Mrs. M. Lilian Adams, R.R. 3, Beamsville, Ont. ....	\$1,000.00	Richard T. Arden, Milnes Landing, P.O., B.C. ....	\$1,000.00
Mrs. Allie May Agar, 2 Clarendon Avenue, Apt. 401, Toronto 7, Ont. ....	\$4,000.00	Richard A. Baily, 616 Catherine Street, Victoria, B.C. ....	\$2,000.00
Allan R. Alexander, 2114 Beacon Road, Sidney, B.C. ....	\$1,000.00	Mrs. Mary Balf, S.S. 1, Kamloop, B.C. ....	2,000.00
Clifford A. Alexander, 110 Mount Pleasant St., Brantford, Ont. ....	\$2,000.00	Mrs. Dorothy Ball, 28 Woodlawn Avenue, Ottawa, Ont. ....	\$1,000.00
Mrs. Mildred E. Alger, Ancaster P.O., Ont. ....	\$1,000.00	Mrs. Elizabeth Bauldry, 1835 Bayview Ave., Apt. 423, Toronto 17, Ont. ....	\$2,000.00
Roy Alton, R.R. 1, Fulford, B.C. ....	\$2,000.00	Paul F. Beardsley, Box 34, Hanover, Ont. ....	\$1,000.00



## APPENDIX E (Continued)

Samuel B. Beare, 93 Dunvegan Road, Toronto 7, Ont. ....	\$6,000.00	Mrs. Marcia Hamilton Browne, c/o Montreal Trust, 1057 Fort Street, Victoria, B.C. ....	\$1,000.00
Paul L. Belcourt, 1521 Lemarchant Street, Apt. 9A, Halifax, Nova Scotia .....	\$1,000.00	Arthur M. Brydon, 300 Lacile Street, Orillia, Ont. ....	\$3,000.00
Mrs. Kate K. Bennett, Apt. 3, Aurora Mansions, 1669 Fairfield Rd., Victoria, B.C. ....	\$1,000.00	Miss Margaret P. Buchanan, P.O. Box 2255, Postal Station "D", Ottawa, Ont. ....	\$5,000.00
Mrs. Amy Benson, 291 Dalhousie St., Brantford, Ont. ....	\$1,000.00	Mrs. Margaret M. Bull, 4408 Westview Avenue, Powell River, B.C. ....	\$1,000.00
Mrs. Dorothy Mae Bird-Dews, 2 Gladstone Ave., Leamington, Ont. ....	\$4,000.00	Bernard F. Burrell, 26 Bristol St., Hamilton, Ont. ....	\$1,000.00
Walter A. Biss, 88 Chelsea Rd., Kitchener, Ont. ....	\$1,000.00	Marye Butler, c/o Posno Flowers, Cathcart Street, London, Ont. ....	\$2,000.00
Mrs. Louise G. Blake, 1775 19th St., West Vancouver, B.C. ....	\$1,000.00	Harry Butterworth, 5 Woodland Ave., Beaconsfield, Que. ....	\$1,000.00
Alice Boudreau, 130 Jameson Avenue, Apt. 614, Toronto, Ont. ....	\$5,000.00	Mrs. Edith D. Cameron, Cdn. Army Staff College, Fort Frontenac, Kingston, Ont. ....	\$3,000.00
Mrs. Bessie E. Bowen, P.O. Box 394, Ridgeway, Ont. ....	\$5,000.00	Mrs. Evelyn W. Campbell, 157 Heath St. East, Toronto, Ont. ....	\$1,000.00
Mrs. Irene Brenton, 39 Cline Avenue South, Hamilton, Ont. ....	\$1,000.00	Warren Campbell, R.R. 4, Chatham, Ont. ....	\$1,000.00
Mrs. Joyce I. Brinkworth, Box 575, Fort Qu'Appelle, Sask. ....	\$3,000.00	Canada Permanent Trust Company, Acct. 2221 Van, 455 Granville Street, Vancouver 2, B.C. ....	\$4,000.00
British Mortgage & Trust Company, Account T 445, P.O. Box 128, Stratford, Ont. ....	\$25,000.00	Keith M. Casselman, 332 Oakdale Ave., Ottawa, Ont. ....	\$1,000.00
William H. Brooks, 33 Arjay Crescent, Willowdale, Ont. ....	\$2,000.00	E. Merle Chamberlin, 1903 Bayview Ave., Apt. 401, Toronto 17, Ont. ....	\$1,000.00
The Brothers of the Christian Schools of Ontario, c/o Provincial Bank of Canada, 1396 Mount Royal Ave. East, Montreal, Que. Dividend a/c 56/30 .....	\$30,000.00	Florence A. Chamberlin, 1903 Bayview Ave., Apt. 402 Toronto 17, Ont. ....	\$2,000.00
Mrs. Helen F. Brown, 270 Lytton Boulevard, Toronto 12, Ont. ....	\$2,000.00	Lawrence R. Charlton, 3041/2 Forest Avenue, St. Thomas, Ont. ....	\$1,000.00
Mrs. Katherine Ann Brown, 54 Toledo Road, Etobicoke, Ont. ....	\$2,000.00	Mrs. Charity Clarke, Box 916, Picton, Ont. ....	\$5,000.00
Mrs. Mildred E. Brown, Gormley 2, Ont. ....	\$4,000.00	Mrs. Grace E. Cochran, 3511 Garner Avenue, Regina, Sask. ....	\$3,000.00

## APPENDIX E (Continued)

Mrs. Mildred Cole, 2246 Beach Drive, Victoria, B.C. ....	\$2,000.00	Mrs. Minnie Engler, c/o The Royal Bank of Canada, Banks St. & First Ave., Ottawa, Ont. ....	\$1,000.00
Mrs. Ruth A. Cole, 1607 The Carillon Towers, 23 Lascelles Blvd., Toronto 7, Ont. ....	\$2,000.00	Arthur L. Evans, 61 Woodland Park Road, Scarborough, Ont. ....	\$2,000.00
James Norman Collins, 2278 Dunlevy Street, Victoria, B.C. ....	\$8,000.00	Charles Evans, Ridgetown, Ont. ....	\$1,000.00
Mrs. J. Clare Collins, 25 Norfolk Street North, Simcoe, Ont. ....	\$1,000.00	Watson W. Evans, 14 Valleyanna Drive, Toronto 12, Ont. ....	\$10,000.00
Mrs. Helen F. Correll, 6 Belvedere Blvd., Toronto 18, Ont. ....	\$3,000.00	Percy W. Farnsworth, 4312 West 14th Avenue, Vancouver, B.C. ....	\$2,000.00
John Cowan, 2451 W. 37th Ave., Vancouver, B.C. ....	\$1,000.00	Fenelon-Albion Limited, c/o Mr. W. Geo. Cowan, 201 Dawlish Avenue, Toronto 12, Ont. ....	\$5,000.00
Mrs. Clara E. Cox, F. Gordon Cox, & Alfred A. Cox, Trustees of the Estate of the late Alfred H. Cox, 86 Willingdon Blvd., Toronto 18, Ont. ....	\$5,000.00	Mrs. Margaret Ferguson, 480 Duplex Ave., Toronto 12, Ont. ....	\$2,000.00
Harold W. Crealock, R.R. 2, Parkway, Kitchener, Ont. ....	\$1,000.00	Fred Fisher, Marshall, Sask. ....	\$2,000.00
Herbert Cross, 1345 Kitchener Ave., Ottawa, Ont. ....	\$1,000.00	Herbert Forbes-Roberts, 425 Burlington Ave., Burlington, Ont. ....	\$3,000.00
Mrs. Feodora B. Crowe, 181 McIntyre St. W., North Bay, Ont. ....	\$2,000.00	J. Vaughn Ford, P.O. Box 749, Blenheim, Ont. ....	\$2,000.00
James Curry, 188 Pendrith St., Toronto 4, Ont. ....	\$1,000.00	Miss Elizabeth H. Foster, 1703 Green Oaks Terrace, Victoria, B.C. ....	\$1,000.00
Mrs. Florence K. Dale, 1126 Dallas Road, Victoria, B.C. ....	\$1,000.00	Roy William Freele, R.R. 1, Belle River, Ont. ....	\$1,000.00
Francis Denomy, 454 Victoria Ave., Chatham, Ont. ....	\$1,000.00	Mrs. Grace Galey, 620 11th Ave. S.W., Calgary, Alta. ....	\$1,000.00
Frederick L. Doty, c/o Canadian General Electric Company, 1350 Castlefield Ave., Toronto, Ont. ....	\$2,000.00	Mrs. Ethel Garland, 16 Ridge Valley Crescent, Islington, Ont. ....	\$5,000.00
Harold M. East, 459 Broadview Ave., Toronto, Ont. ....	\$5,000.00	James Gaschnitz, Box 1139, Drumheller, Alta. ....	\$1,000.00
R. Russell Emerson, 1233 Wellington Crescent, Winnipeg 9, Manitoba ....	\$10,000.00	Alfred Gauthier, Box 49, Earlton, Ont. ....	\$5,000.00
		Mrs. Agnes Dodge Gilbert, 15 Jessie St., Brockville, Ont. ....	\$2,000.00
		Glengate Investments Ltd., c/o C. H. Sanders, 160 Eglinton Ave. E., Toronto 12, Ont. ....	\$10,000.00

## APPENDIX E (Continued)

Robert W. Golding, 1598 Mileva Lane, Victoria, B.C. ....	\$1,000.00	George Irwin Horner, & Victoria & Grey Trust Company, Executors Estate of Mason Horner, c/o Victoria & Grey Trust Company, Lindsay, Ont. ....	\$10,000.00
Miss Anna F. Gough, 13 Louisa St., Ottawa, Ont. ....	\$2,000.00	Mrs. Teresa M. Houston, 19 Lascelles Blvd., Apt. 903, Toronto, Ont. ....	\$10,000.00
Harold F. Gould, 168 Claremont Ave., Kitchener, Ont. ....	\$2,000.00	J. Russel Howie, 235 Somerset Street West, Apt. 905, Ottawa 4, Ont. ....	\$5,000.00
Mrs. Marjorie N. Green, 9 Victoria Ave., Ridgetown, Ont. ....	\$1,000.00	Arthur J. Huenergard, 147 Dunbar Rd. S., Waterloo, Ont. ....	\$5,000.00
Edith A. Greene, Box 67, Thornton, Ont. ....	\$1,000.00	Jack E. Huggett, Box 434, Gravenhurst, Ont. ....	\$1,000.00
Robert A. Gretton & Mrs. Doris M. Gretton as Joint Tenants with Right of Survivorship and not as Tenants in Common, 1934 Waterloo Road, Victoria, B.C. ....	\$1,000.00	James W. Hutcheson, 74 Truman Rd., Willowdale P.O., Ont. ....	\$1,000.00
Mrs. Ella L. Guiou, 380 Driveway, Ottawa, Ont. ....	\$1,000.00	Mrs. E. Haldane Hutchins, Daelas Farm, Schomberg, Ont. ....	\$1,000.00
Robert A. Hadden, Suite 309, The Champlain Towers, 200 Rideau Terrace, Ottawa, Ont. ....	\$3,000.00	Mrs. Doris Isobel Hutton, 6 Royal York Road S., Apt. 502, Mimico, Toronto, Ont. ....	\$5,000.00
Mrs. Kathleen L. Harvey, R.R. 1, Goodewood, Ont. ....	\$3,000.00	Fred S. Jackson, 123 Col. Danforth Trail, West Hill, Ont. ....	\$2,000.00
Lewis Harvey, 1448 Lands End Road, Sidney, V. I., B.C. ....	\$1,000.00	Mrs. Annette M. James, 2121 Allenby Street, Victoria, B.C. ....	\$2,000.00
H. Roy Haug, 1746 Water Street, Kelowna, B.C. ....	\$6,000.00	Mrs. Florence Isabel Jamieson and Mrs. Elizabeth A. Dixon, Executrices of the Estate of Ernest F. Jamieson, c/o Mrs. Elizabeth A. Dixon, 1220 Chilver Rd., Windsor, Ont. ....	\$1,000.00
A. Sean Henry, 9335 Almond Cres., Calgary, Alta. ....	\$1,000.00	Mrs. Emily Janzen, R.R. 2, Breslau, Ont. ....	\$1,000.00
A. Warren Henry, c/o D. W. Henry, R. D. 2, Vernon, B.C. ....	\$1,000.00	Henry Janzen, Breslau, Ont. ....	\$1,000.00
Mrs. Mabel Hiatt, 1640 4 A St. N.W., Calgary, Alta. ....	\$2,000.00	G. Edward Jepson, P.O. Box 181, Ancaster, Ont. ....	\$5,000.00
Denis Hlynka, 121 Oakview Avenue, Winnipeg 5, Man. ....	\$1,000.00	George G. Jewett, Box 86, Leamington, Ont. ....	\$1,000.00
Myron Hlynka, 121 Oakview Avenue, Winnipeg 5, Man. ....	\$1,000.00	Otto K. Johnson, 5 Wilberton Road, Toronto 7, Ont. ....	\$1,000.00
William J. Hore, Ridgetown, Ont. ....	\$1,000.00	E. Mildred Jones, 125 King St. E., Kingston, Ont. ....	\$1,000.00



## APPENDIX E (Continued)

George Kalman, 805 Giles Blvd. E., Windsor, Ont. ....	\$1,000.00	L'Industrielle Compagnie D'Assurance Sur La Vie, 1080 Chemin St. Louis, Sillery, P.O. Que. ....	\$100,000.00
Mrs. Sylvia Kaplan, 59B Government Road, West Kirkland Lake, Ont. ....	\$1,000.00	Mrs. Bertha M. Lister, c/o 11 Parkman Place, Westmount, Montreal 6, Que. ....	\$10,000.00
John D. Kehoe, 10506 97 Ave., Edmonton, Alta. ....	\$1,000.00	Cyril A. Lister, 11 Parkman Place, Westmount 6, Que. ....	\$2,000.00
Mrs. Yvonne Anne Kendall, 1920 90th Ave., Dawson Creek, B.C. ....	\$2,000.00	Mrs. Alice E. Loeb, 45 Castle Frank Crescent, Toronto 5, Ont. ....	\$5,000.00
Mrs. Marjorie Kennedy, 104 Cortleigh Blvd., Toronto 12, Ont. ....	\$10,000.00	Bernard Loeb, 45 Castle Frank Crescent, Toronto 5, Ont. ....	\$10,000.00
James L. Kergan, P.O. Box 608, Drumheller, Alta. ....	\$1,000.00	Nettie Loftus, 120 Rosedale Valley Road, Apt. 607, Toronto 5, Ont. ....	\$1,000.00
Mrs. Shirley R. Kerr, 831 Adams St., Ottawa, Ont. ....	\$7,000.00	Mrs. Stella A. Lohnes, Lunenburg, Nova Scotia ....	\$1,000.00
W. Ross Kerr, 2 Valleyview Street, Toronto 7, Ont. ....	\$6,000.00	Mrs. Muriel G. Longhurst, 8 Evans Ave., Toronto 9, Ont. ....	\$1,000.00
John B. Lambe, 18 Lynwood Ave., Toronto 7, Ont. ....	\$1,000.00	Oden M. Lonvik, 926 2nd Ave. N.W., Calgary, Alta. ....	\$1,000.00
John S. Lamont, 20 Delaware Avenue, Ottawa, Ont. ....	\$2,000.00	Charles R. Luchia, 1215 6 Ave., "A" South, Lethbridge, Alta. ....	\$5,000.00
Miss Beatrice Lamoureux, 7606 Osler St., Vancouver 14, B.C. ....	\$3,000.00	Ernest Lynn, 36 Seven Oaks, Toronto 18, Ont. ....	\$1,000.00
Mrs. Isabel McDonald Lane, 76 Blackburn Avenue, Ottawa, Ont. ....	\$1,000.00	Mrs. Willa S. MacKinnon, 6892 Adera St., Vancouver 14, B.C. ....	\$1,000.00
Miss Eliza Larkin, 79 Stewart Street, Ottawa, Ont. ....	\$5,000.00	Sidney G. Martin, 801 Bickerton Court, 250 Douglas Street, Victoria, B.C. ....	\$2,000.00
Walter T. Lea, R.R. 2, Stroud, Ont. ....	\$1,000.00	William E. Master, 1477 Bayview Avenue, Apt. C 33, Toronto 17, Ont. ....	\$2,000.00
Gordon Levine, 52 Durham St., Sudbury, Ont. ....	\$5,000.00	Mrs. Helen K. Matthews, 2895 Ashley Rd., Victoria, B.C. ....	\$1,000.00
R. Ruth Lewis, Apt. 703, The Colonnade, 131 Bloor St. West, Toronto 5, Ont. ....	\$1,000.00	Mrs. Elizabeth L. Meneice, 3101 23rd St., Vernon, B.C. ....	\$5,000.00
Arthur J. Lewis, 56 Glenagar Drive, Islington, Ont. ....	\$1,000.00	Iva A. Middleton, 64 Cuffley Crescent North, Downsview, Ont. ....	\$1,000.00
Lewis T. Lewis, 1830 Haultain Street, Victoria, B.C. ....	\$2,000.00	Mrs. Jessie Mitchell, 3870 West 8th Avenue, Vancouver, B.C. ....	\$2,000.00

## APPENDIX E (Continued)

Robert C. Mizen, 177 Kensington Ave. S., Hamilton, Ont. ....	\$1,000.00	Mrs. Norma Parker, Box 404, Dingham, Ont. ....	\$1,000.00
Edward H. Moore, 78 Dalewood South, Hamilton, Ont. ....	\$2,000.00	Mrs. Carrie B. Parkinson, 263 First Avenue, Ottawa, Ont. ....	\$2,000.00
Mrs. Madeline Moore, 7 Dalewood Avenue South, Hamilton, Ont. ....	\$1,000.00	A. Stanley Paterson, 2347 Yonge St., Toronto 12, Ont. ....	\$1,000.00
Mrs. Minna Mossler, 706 Mount Joy Ave., Victoria, B.C. ....	\$1,000.00	Mrs. Margaret E. Paugh, 728 Trafford Drive, Calgary, Alta. ....	\$2,000.00
Percy A. Muirhead, 2154 Kildare Rd., Walkerville, Ont. ....	\$1,000.00	Mrs. Kathleen Pearson, 623 8th St., New Westminster, B.C. ....	\$2,000.00
Mrs. Marion Munro, 2831 Alexandria Blvd., South Windsor, Ont. ....	\$1,000.00	James E. Penhale, 96 Saskatoon Drive, Weston, Ont. ....	\$5,000.00
John Robert McCoubrey, 922 Colborne Street, London, Ont. ....	\$2,000.00	Mrs. Valma M. Perkins, 7215 Marquette St., Vancouver 14, B.C. ....	\$5,000.00
Mrs. Margaret J. McDonald, 29 Lisgar Avenue, Tillsonburg, Ont. ....	\$1,000.00	Mrs. Helen Lyle Phin, 459 Waverley St., Winnipeg 9, Man. ....	\$1,000.00
Mrs. Isabel McDowell, 1186 Greyrock Crescent, Ottawa, Ont. ....	\$2,000.00	Mrs. Gladys Phinn, 88 Baldwin Avenue, Brantford, Ontario ....	\$10,000.00
Mrs. Marie McGowan, 2309 Jefferson Avenue, West Vancouver, B.C. ....	\$2,000.00	Marion B. Platt, 31 Alexander St., Apt. 1012, Toronto 5, Ont. ....	\$2,000.00
Arthur E. Nelson, P.O. Box 192, Sta. A, Vancouver, B.C. ....	\$1,000.00	Mrs. Bessie S. Polson, 41 2046 Beach Ave., Vancouver 5, B.C. ....	\$9,000.00
Edward F. Newlands, 1750 West 59th Avenue, Vancouver 14, B.C. ....	\$2,000.00	Mrs. Philippa Polson, 6205 St. Georges, West Vancouver, B.C. ....	\$4,000.00
Mrs. Aline F. Nicolls, 3919 Lauder Road, Victoria, B.C. ....	\$1,000.00	Lewis S. Powell, 2056 E. 3rd. Avenue, Vancouver 12, B.C. ....	\$1,000.00
Karl E. Nowlan, Wolfville, N.S. ....	\$2,000.00	Mrs. Mary E. Powell, 2056 E. 3rd. Avenue, Vancouver 12, B.C. ....	\$1,000.00
Clifford A. Odell, P.O. Box 11, Station H, 1420 St. Catherine St. West, Montreal, Que. ....	\$1,000.00	The Premier Insurance Company, 25 Dundas Street West, Toronto, Ont. ....	\$10,000.00
A. R. Olson Holdings Ltd., Box 764, Drumheller, Alta. ....	\$1,000.00	George W. Price, Box 407, Chemainus, B.C. ....	\$1,000.00
Victor Olson, 2750 Quinn Drive, Regina, Sask. ....	\$5,000.00	Mrs. Renate Radke, P.O. Box 1086, Olds, Alberta ....	\$2,000.00
Fillmore R. Park, P.O. Box 298, R.R. 1, Ottawa, Ont. ....	\$2,000.00	Mrs. Diana W. Read, 35 Wilton Cres., Ottawa, Ont. ....	\$4,000.00

## APPENDIX E (Continued)

Hon. John E. Read, 35 Wilton Crescent, Ottawa, Ont. ....	\$2,000.00	Mrs. Helen Sanders, 17 Dufferin Ave., Brantford, Ont. ....	\$2,000.00
Fred J. Redmond, 18 Sunnybrook Road, Toronto 3, Ont. ....	\$2,000.00	Saskatchewan Mutual Insurance Company, 142 Second Ave. North, Saskatoon, Sask. ....	\$5,000.00
Mrs. Mabel M. Reive, 178 Claremont Ave., Kitchener, Ont. ....	\$2,000.00	Albert Schade, 433 Erie St., Stratford, Ont. ....	\$2,000.00
Mrs. Carrie I. Riddell, 468 Lorne Street, Apt. 407, Burlington, Ont. ....	\$7,000.00	Elliot Alfred Schmidt, 1766 West 4th Ave., Vancouver 10, B.C. ....	\$5,000.00
Mrs. Elsie B. Rising, 278 Kempenfeldt Drive, Barrie, Ont. ....	Cancelled on issue	Mrs. H. Dorothy Schultz, 8 Arthur St., Brantford, Ont. ....	\$1,000.00
Mrs. Barbara Roberge, c/o D. J. Patterson, 9683 Ardmore Drive, Victoria, B.C. ....	\$1,000.00	Mrs. Mae Secor, 1139 Royal York Road, Apt. 301B, Islington, Ont. ....	\$2,000.00
D. Patrick Robertson, 144 Victoria St., Chatham, Ont. ....	\$2,000.00	Morris H. Selick, 254 Germain St., Saint John, N.B. ....	\$1,000.00
Mrs. Ida M. Roe, & Luke A. Roe, 15321 Russell Ave., Suite 3, Whiterock, B.C. ....	\$3,000.00	Michael Shulman, 21 Dundas Square, Suite 1204, Toronto 2, Ont. ....	\$1,000.00
G. Earle Rogers, D5 Manor Gardens, 2307 West 41st Avenue, Vancouver 13, B.C. ....	\$1,000.00	Mrs. Betty Simms, Loring, Ont. ....	\$4,000.00
Mrs. Frances P. Ross, 216 Rideau Terrace, Ottawa, Ont. ....	\$1,000.00	William S. Simpson, 2801 Seaview Road, Victoria, B.C. ....	\$1,000.00
Caroline V. Green, Peter Rowland & James Rowland, Trustees of the Estate of T. Winston Rowland, c/o Rogers & Rowland, 133 Richmond St. W., Toronto 1, Ont. ....	\$5,000.00	Mrs. Beatrice A. Smith, 1800 Des Cheneux Rd., Three Rivers, Que. ....	\$1,000.00
Caroline V. Green, Peter Rowland & James Rowland, Trustees of the Estate of T. P. T. Rowland, c/o Rogers & Rowland, 133 Richmond St. W., Toronto 1, Ont. ....	\$10,000.00	F. Howard Smith, 779 Bessborough Drive, Oshawa, Ont. ....	\$10,000.00
Ursula M. Rush, 315 Holmwood Ave., Apt. 704, Ottawa, Ont. ....	\$8,000.00	Mrs. Innes C. Smith, Box 362, Port Dover, Ont. ....	\$1,000.00
Clifford B. Russell, P.O. Box 555, Beamsville, Ont. ....	\$2,000.00	Noel A. Smith, 60 Hutchinson Ave., Ottawa, Ont. ....	\$4,000.00
Mrs. Mildred E. Rutledge, c/o Bank of Montreal, Main Branch, Calgary, Alta. ....	\$4,000.00	Gordon M. Soper, Thamesville, Ont. ....	\$1,000.00
Louis Sachs, 17 Gordon Ave., Kitchener, Ont. ....	\$1,000.00	Mrs. Winnifred A. Stainnes, 707 Eglinton Ave. West, Toronto 17, Ont. ....	\$5,000.00
		Robert E. Stanhope, 10303 Saskatchewan Drive, Edmonton, Alta. ....	\$5,000.00
		James F. Stephen, 23 Anewen Drive, Toronto 16, Ont. ....	\$3,000.00
		Gordon A. Stevens, 6936 Tupper Grove, Halifax, N.S. ....	\$1,000.00



## APPENDIX E (Continued)

C. Keith Stevenson, c/o Halton & Peel Trust & Savings Co., 282 Lakeshore Road East, Oakville, Ont. ....	\$1,000.00	Peter Warren, 2340 York Street, Vancouver 9, B.C. ....	\$5,000.00
Mrs. Mabel Jean Stockton, The Tiffanay Dr., Suite 305, Ottawa, Ont. ....	\$13,000.00	Mrs. Ida Walker, 1320 Lombard Crescent, Apt. 14, Town of Mount Royal, Montreal, Que. ....	\$4,000.00
Alexander G. Stuart, 1247 Rudlin Street, Victoria, B.C. ....	\$1,000.00	Mrs. Evelyn B. Watson, 35 Elgin Avenue, Toronto 5, Ont. ....	\$2,000.00
Mrs. Laura May Stuart, Scotland, Ont. ....	\$1,000.00	Mrs. Audrey Wedd, 19 Stratheden Rd., Toronto 12, Ont. ....	\$2,000.00
Mrs. Dorothy A. Swayze, 351 Bessborough Drive, Toronto 17, Ont. ....	\$1,000.00	Sydney E. Wedd, 44 King St. W., Toronto, Ont. ....	\$3,000.00
Mrs. Adell Taylor, Madoc, Ontario ....	\$1,000.00	Mrs. Anna E. Wilkinson, 1477 Bayview Ave., Apt. J-1, Toronto, Ont. ....	\$1,000.00
Mrs. Edith May Taylor, 105 Broadway Ave., Ottawa, Ont. ....	\$5,000.00	Miss Thelma Williams, 26 Nepean, Apt. 43, Ottawa, Ont. ....	\$1,000.00
Roy Taylor, Madoc, Ont. ....	\$1,000.00	Mrs. Flora Wilson, 1125 Valois Avenue, Calgary, Alberta ....	\$1,000.00
William Thomas, 107 - 1645 Comox St., Vancouver 5, B.C. ....	\$5,000.00	Lynne A. Wilson, 3 Hatton Place, City View, Ottawa, Ont. ....	\$1,000.00
Mrs. Laura L. Thompson, 315 Riverdale Avenue, Ottawa, Ont. ....	\$1,000.00	Dr. Douglas Wong, 2286 Carling Ave., Suite 101, Ottawa 14, Ont. ....	\$1,000.00
Charles W. Tisdall, F. F. Tisdall, in trust, c/o Charles W. Tisdall, Tisdall, Clark & Lesly Ltd., 6 Crescent Rd., Toronto 5, Ont. ....	\$5,000.00	Mrs. Marie Wong, 300 Croydon Ave., Ottawa, Ont. ....	\$1,000.00
Miss Cora C. Trethewey, 2450 S.W. Marine Drive, Vancouver 14, B.C. ....	\$5,000.00	Mrs. Gladys G. Wright, 4541 Deer Lane, West Vancouver, B.C. ....	\$5,000.00
Mrs. Frances E. Trimble, 54 Donlea Drive, Toronto 17, Ont. ....	\$1,000.00	Mrs. Alma C. Wright, c/o E. E. H. Wright, Welland Vale Manufacturing Co. Ltd., St. Catharine, Ont. ....	\$5,000.00
Miss Charlotte A. Trumpour, 2534 Edgar St., Regina, Sask. ....	\$1,000.00	Mrs. Barbara M. Wyman, 4 Sleepy Hollow, Dundas, Ont. ....	\$5,000.00
Mrs. Eileen A. Twentyman, 4532 West 6th Avenue, Vancouver 8, B.C. ....	\$3,000.00	Edith M. Yelland, Suite 103, 1150 Rockland Ave., Victoria, B.C. ....	\$1,000.00
Mrs. Beatrice Vollans, R.R. 1, Paincourt, Ont. ....	\$1,000.00	York Fire & Casualty Company, 7699 Yonge Street, Thornhill, Ont. ....	\$5,000.00
Mrs. Ellen S. Veary, 31 Miles Court, Hamilton, Ont. ....	\$1,000.00	Mrs. Beatrice M. Young, 261 First Ave., Ottawa, Ont. ....	\$2,000.00
Gloria Vollans, R.R. 1, Paincourt, Ont. ....	\$1,000.00		

## APPENDIX E (Continued)

J. Ernest Zeron, Canada Building, Windsor, Ont. ....	\$2,000.00	Mrs. Margaret Lusby, 21 Lakeshore Drive, Apt. C/1, Farmington, Connecticut 06032, U.S.A. ....	\$2,000.00
J. Ernest Zeron, in trust, Canada Building, Windsor, Ont. ....	\$2,000.00	Mendil Collerman, Ste. 2 - 194 McAdam Ave., Winnipeg 4, Man. ....	\$1,000.00
Air Vice Marshall Robert A. Cameron, Delegation to NATO, Canadian, Place du Marechal de Lattre de Tassigny, Paris 16, France .....	\$1,000.00	Gerald Estabrooks Rising, Eleanor Reevie & Harold Leslie Vanwyck, Exors. Elsie B. Rising Estate, Box 96, Owen Sound, Ont. ....	\$11,000.00
Mrs. Bernice Imwalle, Route 1, Box 352, Carmel, California .....	\$1,000.00	Transportation Fire & Casualty Co., 7699 Yonge Street, Thornhill, Ont. ....	\$5,000.00
			<u>\$869,000.00</u>

### 6¼% SUBORDINATED NOTES—FOURTH SERIES DUE FEBRUARY 1, 1980 (U.S.)

Aetna Life Insurance Company, 151 Farmington Ave., Hartford, Conn. 06115 ....	\$ 600,000	National Life Insurance Company, Montpelier, Vermont 05602 .....	\$ 300,000
Life and Casualty Insurance Company of Tennessee, Life and Casualty Tower, Nashville, Tennessee, 3729 \$	120,000	Phoenix Mutual Life Insurance Company, 1 American Row, Hartford, Conn. 06115 ....	\$ 300,000
Massachusetts Mutual Life Insurance Company, 1295 State Street, Springfield 1, Mass. ....	\$ 900,000	The Union Central Life Insurance Company, P.O. Box 179, Cincinnati, Ohio 4501 .....	\$ 120,000
			<u>\$2,340,000 U.S.</u>

### 6¼% SUBORDINATED NOTES—FIFTH SERIES—DUE JUNE 15, 1970 (U.S.)

Connecticut General Life Insurance Company, Montpelier, Vermont 05602 .....	\$1,000,000	National Life Insurance Company, Montpelier, Vermont 05602 .....	\$1,000,000
			<u>\$2,000,000 U.S.</u>

### 6% JUNIOR SUBORDINATED NOTES, SERIES 1, DUE MAY 31, 1967

The Connecticut General Life Insurance Company, Hartford, Conn. 06115 ....	\$2,000,000 U.S.
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### 6½% JUNIOR SUBORDINATED NOTES, SERIES 2, DUE MARCH 1, 1966

The Mutual Benefit Life Insurance Company, 520 Broad Street, Newark, New Jersey 07101 .....	\$500,000 U.S.
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**APPENDIX E (Continued)**

**6¾% JUNIOR SUBORDINATED NOTES, SERIES 3, DUE JANUARY 31, 1968**

The Trustees of the Eaton Retirement Annuity Plan, 1 Hayter St., Toronto, Ont. ....	\$200,000 Cdn.	The T. Eaton Life Insurance Company, 190 Yonge Street, Toronto, Ont. ....	\$200,000 Cdn.
		<hr/>	
		\$400,000 Cdn.	

**6¾% JUNIOR SUBORDINATED NOTES, SERIES 4, DUE JULY 15, 1969**

North West Life Assurance Company, 2124 West Broadway, Vancouver, B.C. ....	\$150,000 Cdn.
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**JUNIOR SUBORDINATED SHORT TERM NOTES**

British Mortgage and Trust Company, Stratford, Ont. ....	\$1,000,000 Cdn.
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# **APPENDIX F**

## **Atlantic Acceptance Corporation Limited in Receivership**

### **MEMORANDUM AS TO INITIAL AWARD OF COMPENSATION**

**Montreal Trust Company  
Receiver and Manager**

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### PREAMBLE

This memorandum has been prepared for the purpose of assisting the Court in determining a fair and equitable initial award of compensation to Montreal Trust Company and its agents and outlines the services performed by them during the period from June 15th, 1965 to August 31st, 1966.

The claim for compensation is being made by Montreal Trust Company in its capacities as Trustee under the indenture dated February 1st, 1961 providing for the issuance of and securing senior notes of Atlantic Acceptance Corporation Limited and as Receiver and Manager of Atlantic Acceptance Corporation Limited and its subsidiary companies as follows:—

Atlantic Finance Corporation Limited  
Commodore Sales Acceptance Limited, in Receivership  
Commodore Factors Limited  
The Premier Finance Corporation Limited, in Receivership  
Adelaide Acceptance Limited  
Standard Discount Corporation Limited  
Atlantic Acceptance (Toronto) Limited  
Pay As You Study Plan Limited  
Concourse Agencies Limited.

The memorandum deals with only the major problems and decisions with which Montreal Trust has been faced in performing its duties in this complex matter since it is felt that to make a report on routine and day to day matters would be an onerous task and would not warrant the time and effort necessary to produce such a report. However, it must be stressed that whether major or routine, and regardless of the assistance and advice of agents and solicitors, the ultimate and final decision for actions taken and policies established and the responsibility for such decisions had to be borne solely by Montreal Trust.

### EVENT OF DEFAULT

On June 15th, 1965, Montreal Trust received a telephone call from Mr. B. L. McFadden, Treasurer of Atlantic Acceptance Corporation Limited, advising that a cheque issued by Atlantic on the previous day in payment of a matured senior note had not been honoured by the bank on which it was drawn. Because this event represented a default under the indenture securing the senior notes of Atlantic, Montreal Trust arranged for an immediate meeting with Mr. McFadden and Mr. C. Powell Morgan, President of Atlantic. At the meeting Mr. Morgan gave details of the dishonoured cheque and the affairs of the Corporation during the preceding month. He explained that the Corporation did most of its borrowing in the United States and that since the cutback of available funds in that country, Atlantic had been finding it increasingly difficult to meet its obligations as they matured. The matter was finally brought to a head by the Corporation's bankers refusing to honour its cheque because the Corporation had already exceeded by a substantial margin the amount of revolving credit granted to it by such bankers. Upon further questioning of Mr. Morgan, he revealed that the total principal amount of senior notes due on June 14th and 15th was \$13,458,000 and that a further \$12,000,000 principal amount of notes would become due within the next thirty days. Mr. Morgan stated that the assets of the Corporation were more than sufficient to meet its liabilities and he felt that the present financial difficulties would be quickly resolved either by additional borrowing or by a sale of part of the receivables. In the meantime, he suggested that Montreal Trust should enter into possession as mortgagee and operate the Corporation and its subsidiaries. In view of the seriousness of Mr. Morgan's disclosures, Montreal Trust arranged for a meeting the following day with the solicitors of both parties to be in attendance. Following the termination of the initial meeting the officers of Montreal Trust in Toronto had several



telephone conferences with its senior management in Montreal and its solicitors to apprise them of the situation. In addition, because the default of Atlantic had become known to some of the investing public, Montreal Trust began to receive telephone enquiries from brokers, noteholders and the press requesting information on the default.

On the following day the events of the previous weeks were reviewed for the benefit of Montreal Trust's solicitors and meetings were held with executives of Atlantic and its solicitors. There followed renewed discussion of the Corporation's prospects as a going concern, the provisions of the senior note indenture and Mr. Morgan's suggestion that Montreal Trust operate the Corporation as mortgagee in possession on a temporary basis. Montreal Trust was unwilling to accede to this suggestion and it was decided that receivership was essential for the preservation of the assets of the Corporation and for the protection of the creditors' interests.

However, before taking this step it was felt that the Corporation's bankers should be contacted to ascertain whether they would be willing to lend further funds to the Corporation. A meeting was arranged with the bankers and their solicitors but since the results of the meeting were negative, it was decided to proceed with the receivership forthwith.

Further conferences were held with the senior management of Montreal Trust in Montreal and the decision was made that it should seek appointment as receiver and manager of Atlantic. Its solicitors were then instructed to prepare the necessary documentation with respect to its application for appointment as receiver and manager.

By this time the default of Atlantic had become widely known and Montreal Trust was inundated by telegrams, telephone and personal calls from interested parties.

In the initial stages Montreal Trust was engaged in reviewing and settling with its solicitors the documents pertaining to the Corporation's acknowledgment of its insolvency, acceleration of maturity of notes, demands for payment by the Trustee, affidavits, etc. Formal notices were mailed to the noteholders accompanied by a letter setting forth the facts as then known and advising of the impending receivership. Also, in an attempt to stem the number of enquiries Montreal Trust was receiving and to get information into the hands of all interested parties as quickly as possible, a press report was prepared and released.

On June 17th, 1965 application was made to the Supreme Court of Ontario for a receiving order and by order of Mr. Justice Parker, Montreal Trust was appointed Receiver and Manager of the undertaking, property and assets of Atlantic Acceptance Corporation Limited. The receiving order also ordered the Receiver and Manager to manage and operate the business and undertaking of and to preserve the property of the subsidiary companies of Atlantic.

### INITIAL SERVICES

The Receiver and Manager considered that its immediate responsibility was to take possession of the property and assets of Atlantic with a view to their preservation. In addition, and pursuant to the powers granted it at the time of its appointment, a determination was made that its duty was to carry on the business of Atlantic and of its subsidiary companies as the best means of preserving the value of their property and assets. In view of the nature of the business the need for continuity of operations by the Receiver and Manager appeared to be of the greatest importance. The Receiver and Manager considered that its prime duty was to ensure that as large a recovery as possible was made on the receivership assets, which consisted largely of accounts receivable, and that the prospects of recovery on such receivables would inevitably be better if the Corporation were carrying on business and able to make further loans than would be the case if it were merely collecting outstanding accounts. In addition, it was felt that a large part of the worth of a finance company lies in its skilled employees and that the cessation of business would inevitably dissipate the team of Atlantic employees built up over the years. Accordingly, the Receiver and Manager considered it to be

essential to take steps immediately to ensure that Atlantic and its subsidiary companies should continue to carry on business with a minimum of disruption of their operations, subject to certain restrictions which are set out later in this memorandum.

The Receiver and Manager was aware that the Atlantic group of companies carried on an extensive lending operation. An indication of the extent of their notes receivable, after deducting unearned interest and estimated allowance for possible loss as at June 17th, 1965, is set out below:—

<u>Company</u>	<u>No. of Accounts</u>	<u>Notes Receivable</u>
Atlantic Acceptance Corporation Limited.....	34,184	\$53,282,257
Atlantic Finance Corporation Limited.....	54,477	33,167,133
Commodore Sales Acceptance Limited.....	63	35,560,344
Commodore Factors Limited.....	17	10,707,401
Adelaide Acceptance Limited.....	16	4,295,612
Standard Discount Corporation Limited.....	70,714	3,683,083
The Premier Finance Corporation Limited.....	6,997	666,849
Atlantic Acceptance (Toronto) Limited } Pay As You Study Plan Limited } Concourse Agencies Limited }	108	290,364
	<u>166,576</u>	<u>\$141,653,043</u>

The first action taken by the Receiver and Manager upon receipt of the receiving order was to arrange for an immediate examination of the large industrial and commercial loans to ascertain their status. Most of these loans were made by Commodore Sales Acceptance Limited, Commodore Factors Limited and Adelaide Acceptance Limited, commonly called the Commodore group of companies, and the book value of these loans represented approximately one-third of the total amount of receivables of Atlantic and its subsidiary companies. (See pages 10 to 14 dealing with the Commodore companies.)

The Receiver and Manager contacted the firm of Deloitte, Plender, Haskins & Sells who had prepared the consolidated financial statements of Atlantic and its subsidiaries for the year ended December 31st, 1964, and this firm agreed to make an immediate and preliminary examination of such large loans at the Head Office of Atlantic in Oakville and at the offices of the Commodore companies at 100 Adelaide Street West, Toronto. During the evening of Friday, June 18th, an initial report was made to the Receiver and Manager and because of its adverse nature a meeting was arranged for a full review of the auditors' findings. In addition to the senior officers in Toronto of the Receiver and Manager and its solicitors, there were also present at the meeting the Vice-President, Finance, and a Supervisor from its Head Office in Montreal who had been sent to lend their assistance.

The preliminary report with respect to the Commodore group of companies was most disquieting. Although the loans made by these subsidiaries were not too numerous nearly every one was substantially in arrears. Also, another factor which caused great concern was that most of the names of the borrowers were unknown to the meeting. The Receiver and Manager checked telephone directories and other reference books in an attempt to obtain information on these borrowers, without success.

It soon became apparent to the Receiver and Manager that a complete appraisal of the industrial and commercial loans had to be made without delay so that the Receiver and Manager could take whatever action was necessary to protect the portfolio. Discussions then took place as to the appraisal procedure and the preparation by the auditors of financial statements as at June 17th, 1965. Because of the need for haste it was decided that additional help would be required and it was resolved that Clarkson, Gordon & Co., and its affiliate

The Clarkson Company Limited should be engaged to help in the audit and appraisal of the receivables of the Commodore group. The Receiver and Manager then contacted principals in the Clarkson, Gordon firm and arrangements were immediately made for the use of approximately twenty-five of their partners and senior managers to begin an investigation of the Commodore loans forthwith.

Another pressing problem that the Receiver and Manager had to deal with immediately after its appointment was the restoration of normal banking functions. After the default occurred the chartered banks determined not to credit the accounts of their customers with cheques drawn by Atlantic and its subsidiaries until the cheques had been cleared, nor to accept and credit Atlantic and its subsidiaries with any cheques drawn or endorsed in favour of the latter until they had been cleared and paid by the banks on which the cheques were drawn. In addition, certain of the banks ceased temporarily to honour any cheques of Atlantic or its subsidiaries irrespective of the existence of credit balances in their accounts. It was crucial to the conduct of the operations of Atlantic that cheques drawn by it or in its favour be cleared promptly, and this action constituted a serious threat to the ability of the Receiver and Manager to continue to carry on the business. Negotiations with the banks were immediately undertaken by the Receiver and Manager and arrangements for the resumption of normal banking were concluded with the banks concerned shortly after the Receiver and Manager's appointment. The arrangements required the giving of indemnity by the Receiver and Manager to one of the banks involved.

A further banking problem which the Receiver and Manager had to resolve quickly involved the chartered banks which were creditors of Atlantic. The Corporation had loans outstanding with these banks which were secured by the deposit of senior notes. The banks informed the Receiver and Manager that they intended to hold funds deposited to the account of Atlantic and to claim the right to set off such funds against the amounts owed to them by Atlantic. In discussions conducted shortly after the commencement of the receivership, the Receiver and Manager obtained the agreement of the banks concerned to restrict their claims of set-off to funds deposited with them up to the date of the receiving order and to regard funds deposited with them after the opening of business on June 18th, 1965 as being for the account of the Receiver and Manager.

Because of the agreement it was necessary for the Receiver and Manager to call in all outstanding cheques issued prior to June 18th, 1965 and to issue new cheques in respect of those liabilities which had to be met if the operations of Atlantic were to continue.

#### OPERATION UNDER RECEIVERSHIP OF ATLANTIC AND ITS SUBSIDIARIES

Once the more urgent matters were disposed of, as outlined in the preceding sections, the Receiver and Manager turned its attention to the task of converting the companies into an efficient and properly managed organization.

Initially, meetings were held with the executives of Atlantic and the operating heads of each of the subsidiaries. The Receiver and Manager explained in detail the events leading to the receivership, the duties and responsibilities of a receiver and manager, and the plans for the future. The Receiver and Manager laid down operating policies, pointing out that sufficient funds would be available either from the cash flow or from borrowings by way of receiver's certificates to continue the business of the organization but on a reduced scale. In summary, the Receiver and Manager's instructions were to the effect that all wholesale automobile financing and capital loans to dealers were to be discontinued as quickly as possible, no further loans to minors were to be made and other loans were to be made only to borrowers with top credit ratings.



One of the difficulties with which the Receiver and Manager was faced in its administration was the absence of chief executive officers in the organization through whom the Receiver and Manager would have normally controlled and directed business operations. The Receiver and Manager had, for various reasons, relieved the President of his duties and the Senior Vice-President and another Vice-President also resigned. These difficulties were resolved by the Receiver and Manager by transferring a chartered accountant from its staff to the Corporation's head office in Oakville and by entering into an agreement dated July 14th, 1965 with General Acceptance Corporation of Allentown, Pennsylvania under which G.A.C. assigned to the Receiver and Manager experienced personnel from its staff to advise and consult with the Receiver and Manager with respect to the operations and conduct of Atlantic and its subsidiaries, with the exception of Standard Discount Corporation Limited, the Commodore group of companies and Concourse Agencies Limited. Standard Discount was engaged in supplying short term financing for the sale of soft goods through retail stores, particularly in the Metropolitan Toronto area and was being efficiently operated by its former owners. Concourse Agencies was a dormant company and, as mentioned previously, the affairs of the Commodore group of companies are dealt with at pages 10 to 14.

One of the most important and time consuming continuing functions of the Receiver and Manager was the handling of delinquent receivables. The preliminary examination of the large commercial and industrial loans, the report of General Acceptance Corporation after its assessment of the receivables at some of the branches of Atlantic, and the subsequent audit of accounts, revealed that Atlantic and its subsidiaries had continued to carry on their books receivables which, in fact, had become worthless or were of little value. In addition, because of the impact that the collapse of Atlantic had on the economy of the country, and the tight money policy resulting therefrom, many loans which otherwise would have been repaid in the normal course of events became delinquent. Thus, during the period covered by this memorandum, it became necessary for the Receiver and Manager to write off in excess of 15,000 accounts having a book value of approximately \$15,900,000.

In dealing with delinquent accounts the following procedure was laid down by the Receiver and Manager. Branch Managers were instructed to submit write-off requests to the Head Office of Atlantic for any account which was 90 days or more past due. The write-off request was scrutinized by Head Office personnel and then submitted to the Receiver and Manager for final approval or disapproval. In examining the write-offs the Receiver and Manager had to be satisfied that all avenues of collection had been pursued and that the write-off was justified. This necessitated the Receiver and Manager's perusal of not only the write-off request but also the complete file for each account which, in many cases, was quite voluminous.

In many of the large loans the Receiver and Manager spent considerable time and effort in negotiations and correspondence to effect settlements or compromises. In these cases, a number of which included real estate transactions and third and fourth mortgage loans, the Receiver and Manager was forced to settle for less than the debt owing because the value of the security or collateral held was considerably less than the amount of the loan. The Receiver and Manager agreed to these compromises only after receiving appraisals or valuations of the security, considering any available legal remedies and determining the value of other assets, if any, owned by the borrower.

Written-off accounts were then transferred to the Special Services Branch which the Receiver and Manager established for the purpose of liquidating the accounts of Premier Finance. This branch is staffed with personnel who are specialists in dealing with collection problems. As at August 31st, 1966 the branch had on its books \$9,943,606 of written-off accounts and was actively following collection procedures with respect thereto. Since receivership the branch has recovered \$483,121 from written-off accounts.

In addition to daily consultations with operating personnel, representatives of General Acceptance and The Clarkson Company as to collections, delinquencies, liquidations, new

business and routine day to day transactions, the Receiver and Manager attended to the following specific matters:—

1. Arranged for the issuance of a new fidelity policy to insure the Receiver and Manager against fraud, theft, disappearance of money and securities. The Atlantic policy in effect at the time of receivership was abruptly cancelled by the insurer and the Receiver and Manager obtained new coverage only after a great deal of difficulty.
2. The closing of bank accounts and the opening of new accounts in the name of the Receiver and Manager involving lengthy consultations and correspondence with the banks regarding the form of required resolutions and other documents.
3. Consultation with its solicitors and arranging for the removal of the officers and directors of the subsidiary companies and replacing same with personnel of the Receiver and Manager so as to give the Receiver and Manager more effective control.
4. Correspondence and discussions with the banks regarding guarantees that Atlantic had given to the banks with respect to loans made by them to Atlantic's customers and arranging for the cancellation of such guarantees where possible.
5. Correspondence with landlords regarding the branch offices in the various provinces leased by Atlantic and Atlantic Finance. Continuing the leases for the offices which the Receiver and Manager wished to retain and arranging for the termination of others.
6. Discussions and correspondence with solicitors who were handling collection litigation at the time of receivership. Giving necessary instructions and furnishing copies of the receiving order and other documents.
7. Discussions and correspondence with borrowers as to the effect of the receivership on their liability and the manner in which they were to make their monthly payments.
8. Correspondence and interviews with Government officials regarding payment of taxes, income tax deductions from employees, etc.
9. Discussions and correspondence with certain Canadian and United States banks relating to pre-receivership contracts for the future purchase of U.S. funds and arranging for the cancellation of such contracts.
10. Discussions with solicitors and arranging for the appointment of law firms in all the provinces, other than Quebec, to handle legal problems for the Receiver and Manager in their respective provinces.
11. Arranging for the continuation of essential services—telephone, hydro, credit card purchases for gasoline, airline transportation, etc.
12. Closing the Toronto executive offices of Atlantic, Commodore Sales and Adelaide Acceptance and negotiating and settling the cancellation of leases and disposing of furniture and equipment to new tenants.
13. Cancelling the co-transfer agencies for Atlantic's preference and common stock in New York and in other cities in Canada and ultimately the main transfer agency in Toronto.
14. Correspondence and conferences with the Superintendent of Insurance, Ottawa, regarding the affairs of Atlantic Finance and in particular the continuation of its licence under the Small Loans Act and reaching agreement with the Superintendent as to the continuation of such licence.
15. Discussions with the banks regarding the borrowing of funds on the security of receiver's certificates and arranging for the borrowing of the total sum of \$2,513,000 from time to time during the months of June, July and August, 1965, all of which was repaid by September, 1965.

16. Consultations with solicitors regarding the advisability of continuing to use the services of the law firm which had handled most of Atlantic's legal work prior to receivership, leading to a decision to discontinue relations and correspondence and meetings to settle the procedure to be followed in transferring the accounts to a new law firm appointed by the Receiver and Manager.
17. Executing documents, discharges, releases, etc., and attending closings with respect to settlements of loans and other transactions.
18. Correspondence and interviews with two of Standard Discount Corporation's largest customers and their solicitors regarding the capability of Standard to continue normal business operations due to the receivership of the parent company and settling with the solicitors a form of assurance to be given to such customers.
19. Ascertaining that Standard had excess space at its office at Eglinton Avenue East and subletting same and arranging for the cancellation of subleases of its former office on University Avenue.
20. Meetings and negotiations with potential purchasers of Standard Discount and arranging for a business consultant to complete a study of Standard and receiving a detailed report and discussing same with the consultant and with the officers of Standard leading to a decision to defer any action with respect to disposing of Standard for the time being.
21. Reviewing the insurance coverage on the life of the late President of Atlantic, C. Powell Morgan, for \$100,000 and discussing same with the solicitors and determining to continue to keep the policy in effect.
22. Taking steps to place Commodore Sales Acceptance Limited and The Premier Finance Corporation Limited in receivership to protect their assets against the claims of unsecured creditors and applying for and receiving appointment as Receiver and Manager of such corporations.
23. Examining the operations of Premier Finance and ascertaining that prior to June 17th, 1965 its better receivables had been sold to Standard Discount and that it was in the process of liquidating the remainder of its accounts before being wound-up. Determining that space rented by Premier was too expensive for liquidation purposes and taking the necessary action to move Premier to less expensive quarters and subleasing the former space.
24. Studying the position of the receivership in jurisdictions outside Ontario where branch offices were located and reviewing the same with local advisors. Obtaining authorization from the Supreme Court of Ontario to obtain ancillary appointments as receiver and manager in other jurisdictions where necessary and prosecuting the requisite applications for the same.
25. Negotiations and actions to protect the position of Atlantic with respect to the head office premises of Atlantic in Oakville and arrangements with the trustee in bankruptcy of the landlord to remain in possession at a reduced rental after credit of a portion of the rental against indebtedness of the bankrupt to Atlantic.
26. Consultations and discussions as to the preparations of the financial statements as at the date of the receivership and preparing and issuing the preliminary report of the Receiver and Manager of August 18th, 1965.
27. Arranging for the appointment of Price Waterhouse & Co. as auditors of the Receiver and Manager to replace Deloitte, Plender, Haskins & Sells; and conferring with such auditors on the carrying out of the year end audit of the accounts of Atlantic and subsidiary companies and in the preparation and settlement of the financial statements and report of the Receiver and Manager of August 3rd, 1966.



28. Attending frequent meetings with representatives of the Royal Commission and the Ontario Securities Commission with respect to the affairs of Atlantic prior and subsequent to receivership. Supplying vast quantities of copies of reports, documents, certificates, etc. and reporting to both Commissions on fraudulent actions respecting transactions prior to receivership and supplying evidence of same as well as preparing and giving testimony at hearings of the Royal Commission.

### COMMODORE GROUP OF COMPANIES

The Atlantic subsidiaries to be dealt with under this heading include Commodore Sales Acceptance Limited, Commodore Factors Limited and Adelaide Acceptance Limited. In addition, the remarks in this section will relate to the loans of Aurora Leasing Corporation Limited, in which the Atlantic group have a major investment.

This memorandum will not attempt a detailed description of the efforts of the Receiver and Manager to salvage each of the loan situations but in a general way will illustrate the nature and scope of the work performed. Detailed reports have been prepared on each of the major loans and an index to the several volumes of loan reports and the reports on other matters is included as an appendix to this memorandum.

The loans made by the Commodore group were of a commercial or industrial nature and the loan operation was completely under the control of the President of Atlantic, C. Powell Morgan, who operated the lender companies with the assistance of Mr. A. G. Woolfrey and four clerks.

As mentioned previously, when the Receiver and Manager was appointed on June 17th, 1965 it made a preliminary review of the portfolio of investments in this area by reviewing each of the loans with Mr. Woolfrey and Mr. Morgan. It was apparent at the outset that there were difficulties in the loan portfolio and the information contained in the Commodore file was entirely inadequate to support such substantial loans. As a step in assuming control of the Atlantic assets the Receiver and Manager took over the operations of the Atlantic subsidiaries and appointed its nominees as directors and signing officers in order to control receipts and disbursements of the companies. Also, as referred to earlier in this memorandum, it arranged to retain the services of the Clarkson, Gordon & Co. organization and with its assistance immediately undertook a detailed review of each of the major loan situations and established contact with the debtors.

Montreal Trust Company was subsequently appointed Receiver and Manager of Commodore Sales Acceptance Limited. By arrangements with the officers of Aurora Leasing the Receiver and Manager also took over the operations of that Company on June 20, 1965 until it was adjudged bankrupt on July 30, 1965 and formal responsibility for its affairs passed to The Clarkson Company Limited.

### *Results of Initial Review*

From the initial detailed review it was apparent that almost all loans in the Commodore group were highly doubtful of collection. Many of the borrowing companies were owned directly or indirectly by Atlantic's President together with partners in the auditing firm which was responsible for the audit of the Commodore group and which, in fact, also acted as auditors of many of the borrowing companies. Many of the borrowing companies kept their offices at the same address as the Commodore group's auditors. The loans which appeared to be made to outsiders were generally in not much better condition than the loans to the insiders.

It is interesting to note that almost all of the presentations made to date before the Royal Commission enquiring into the Atlantic matter have been made with respect to the activities of the Commodore group.

One of the first problems faced was that of sorting out the relationships between the lenders and the borrowers and those between many of the borrowers themselves. It became apparent

that many devious and highly complicated schemes had been used to enable the loans to be made in the first instance and then to be carried on the lenders' books so as to appear to be reasonably current and collectible. One of the first tasks undertaken by the Receiver and Manager was, therefore, a detailed analysis of the corporate organization of each major borrower and the preparation of a summary for each showing, along with other data, its involvement with other borrowers.

The loans fell into three major categories:—

- (a) The Receiver and Manager took the decision to liquidate certain loans immediately. Some of the borrowing companies were no longer operating and were in effect already liquidating. In other cases the companies were operating at substantial losses and investigation disclosed that there was no way they could carry on without further advances from Atlantic which in turn would produce further losses. It was apparent that some of the principals of the debtor companies could not be relied upon and immediate action was called for. Several petitions in bankruptcy were issued naming The Clarkson Company Limited as Trustee and The Clarkson Company Limited was also appointed receiver in certain cases where Atlantic held debenture security. Some of the loans that were liquidated immediately were:—

General Spray Service Inc. (New York)

Fredericks Department Stores Limited (London)

Valley Farms & Enterprises Limited (Ottawa)

Associated Canadian Holdings Limited (Toronto)

The "Little Scot" Group of Discount Stores (15 companies located in various Ontario centres).

- (b) The Receiver and Manager decided to continue the support of some of the borrowing companies in order to attempt to sell them on a going-concern basis. It was believed that the companies in this category were not worthy of continued long term support since it did not appear that they would ever earn sufficient profits to repay their loans but it was decided that a going-concern sale or reorganization would permit a better recovery than a forced liquidation. Some of the major companies in this category were:—

Canadian Nevil Enterprises Inc. (Buffalo)

Furniture Sales Registered (Toronto)

D. H. I. Limited (Brampton)

American Marsh Pumps (Canada) Limited (Brantford and Toronto)

Sprayfoil Inc. (Milwaukee)

Symphony Paints Inc. (Cleveland).

It should be mentioned that the company officials, Mr. Morgan and Mr. Woolfrey urged the Receiver and Manager to continue to support many other borrowing companies because they believed that the companies had good prospects of turning past losses into profits. The Receiver and Manager made a detailed investigation of all companies which might fall in this category, frequently using the assistance of consultants some of whom were associated with the Clarkson organization, and decided each case on its merits, generally rejecting the advice of Messrs. Morgan and Woolfrey. A great deal of time was spent in searching out and negotiating with prospective purchasers of the businesses listed above. In many cases the Receiver and Manager was able to effect a going concern sale but some of the loans in this category ended up in liquidation. In these cases the operation of the borrower companies for some months prior to their liquidation served the purpose of working out inventories and improving the quality of their receivables to facilitate a higher return on the liquidation.

- (c) Finally, there were a few loans where it was felt that a much greater recovery could eventually be made if substantial additional financing was made available to the companies involved to permit them to continue to carry on business. The three major loans in this category were:—

Lucayan Beach Complex  
Treasure Island Group  
Conarm Developments Limited.

In each of these cases the representatives of the Receiver and Manager have been involved in the day to day operation of the businesses of the companies and have taken the responsibility for major policy decisions. In the case of the Lucayan Beach Complex and Conarm it has been necessary to advance substantial additional funds to permit the businesses to carry on.

In almost every one of the loans in each of the three categories the Receiver and Manager felt it necessary to police the day to day transactions of the borrower. Most of the debtors could not be relied upon to carry on their business operations without close supervision. The workload involved varied from situations where the Receiver and Manager had one of his own representatives in full time attendance managing the business of the debtor, to others where daily or weekly inspections to review progress were found to be sufficient.

### *Special Problems in dealing with the Commodore loans*

The work involved in dealing with the Commodore loan portfolio was particularly onerous for many reasons. The Receiver and Manager received some co-operation from the officers of the lender companies initially but when it became apparent that some of the officers and some of the members of the firm of auditors engaged by the Commodore group were personally involved in many of the loan situations as shareholders, officers and directors of the borrowing companies, this co-operation diminished and finally, for all practical purposes, disappeared. The Receiver and Manager commenced certain lawsuits against the late President of Atlantic and the auditors of certain of the Commodore groups which will be discussed below.

The records of the Atlantic subsidiaries were woefully inadequate. Due to the absence of satisfactory records much of the information with respect to the loans and the borrowing companies had to be obtained from Mr. Morgan. His memory appeared to vary with the loan situation and with the extent of his own involvement with the loan. The records of the borrowing companies were also inadequate. In many cases these were maintained by the auditors of the Commodore group and when certain members of the auditing firm ceased to co-operate information became very difficult to obtain.

There were a host of extremely complicated and highly questionable transactions between the lenders and the borrowers and many between the various borrowers themselves. Some of these have resulted in lawsuits instituted by the Receiver and Manager or by the trustees in bankruptcy of the companies concerned, and some have resulted in action by the Crown. The officials of the Commodore group and the debtor companies involved in these transactions were most reluctant to assist the Receiver and Manager and the investigation effort in these areas was most onerous and time consuming.

As indicated earlier herein, the Receiver and Manager retained the services of the Clarkson organization to assist it in the salvage of the assets in the Commodore group of companies and to deal with the problems outlined above. The Clarkson organization supplied additional personnel skilled in the field of financial investigation and accounting, trustee and receivership work, taxation, management consulting and business management to work with the Receiver and Manager.



A considerable number of the personnel of the Clarkson organization and the Receiver and Manager became involved at the outset of the receivership and have continued to be involved—some on a full time and others on a part-time basis. Much of the work has had to be carried on outside of Toronto as there were major loans and investments in a number of Canadian and U.S. cities, the Bahamas and Europe. Some idea of the extent of the travel involved may be gleaned from the fact that disbursements for travelling expenses alone now exceed \$52,000, this in spite of the fact that considerable use has been made of the staff of the Receiver and Manager and the Clarkson organization resident in other Canadian and U.S. cities, in the Bahamas and in Germany.

### ***Sale of shares of subsidiary companies***

As Receiver and Manager of Atlantic, Montreal Trust became entitled to the shares of each of Atlantic's wholly owned subsidiary companies. Some of the subsidiary companies had incurred substantial losses which would ordinarily be available to offset future taxable income, if any. A method of financial reorganization was developed which made it possible to offer for sale the shares of certain of the Canadian subsidiaries of Atlantic to other corporations having a substantial taxable income. The Receiver and Manager searched diligently for parties who might purchase these shares and negotiations were carried on with approximately fifteen different companies that indicated a serious interest therein. These negotiations involved financial investigations and many meetings with solicitors and accountants acting for the interested parties.

The Receiver and Manager was successful in selling its interest in the shares of Commodore Sales Acceptance Limited to Great Northern Capital Corporation Limited and received in return shares of that corporation which shares had a market value of approximately \$700,000 at the time of the purchase. It is anticipated that the ultimate recovery when these shares are disposed of will be in excess of that sum. The Receiver and Manager made a considerable effort in this area and succeeded in turning what was otherwise a worthless asset into a valuable one.

Extensive discussions and negotiations have taken place in connection with proposals to dispose of the shares of other subsidiaries. Continuing efforts are being made in that direction notwithstanding the difficulties of negotiating such transactions due to the great notoriety of the whole Atlantic affair and the reluctance of outside parties to become involved in any way.

### ***Recovery of prior years' income taxes***

It was quite apparent to the Receiver and Manager that profits in some of the Atlantic companies had been grossly overstated in earlier years and that, as a result, income taxes actually paid by the companies would not have been payable had the companies' incomes been stated properly. The Receiver and Manager held meetings with officials of the income tax division and has prepared a voluminous report in connection with prior years' earnings of the subsidiary companies in order to document the errors in the previous years' statements. It is anticipated that these efforts will result in the recovery of substantial sums for the creditors of Atlantic.

### ***Lawsuits***

The Receiver and Manager has commenced certain actions against the auditors of the companies in the Commodore group and, as mentioned, has also instituted an action against the late President of Atlantic, C. Powell Morgan. Many other lawsuits are being instituted, a complete description of which is included in the detailed memoranda referred to in the index reproduced as an appendix to this memorandum, and many of the more important of which are described in the section headed "Litigation" at pages 22-24 hereof. Because of their highly technical nature, lawsuits commenced by the Receiver and Manager against the auditors and

Mr. Morgan have required a very extensive analysis of the accounts and financial reports of the companies for earlier years. The detailed report prepared by the Receiver and Manager in this connection is referred to in the index and is available for review.

As Receiver and Manager, Montreal Trust Company was charged with the overall responsibility for the work and members of its own staff were required to participate in all significant policy decisions, investigations and many settlement negotiations. The numerous bankruptcy proceedings required Montreal Trust representatives to assume onerous and time-consuming responsibilities as inspectors in supervising such proceedings.

In order to assist the Court to become familiar with the problems encountered in the Commodore group of companies and to satisfy itself as to the manner in which the salvage operation was carried out, the Receiver and Manager has prepared a set of reports which cover each of the important loans and describes the steps taken to effect recovery. These reports, together with the special reports on the sale of the Commodore shares, the investigation for income tax recoveries and the lawsuits, run to about 1,600 pages and are contained in 8 volumes. An index to the reports is included as an appendix to this memorandum.

### NEGOTIATIONS FOR AND SALE OF RECEIVABLES

The opinion of the Receiver and Manager at the outset was that time should be taken to produce financial statements and make a general appraisal of the assets and operations of Atlantic and its subsidiaries before entering into any serious discussions of the possibility of a sale or merger. This decision was conveyed to a number of companies who enquired by letter and telephone about the intentions of the Receiver and Manager. There appeared to be particular interest in the receivables of the small loan subsidiary, Atlantic Finance Corporation Limited, but the Receiver and Manager wished to obtain a comprehensive evaluation of the whole operation before dealing with any of its parts.

Early reports arising from the initial examination of the commercial/industrial loans in the Commodore group of subsidiaries soon made it clear that the loss exposure in this portfolio could very seriously impair the capital of the parent company. In the meantime, officers of General Acceptance Corporation of Allentown, Pennsylvania, had commenced discussions with certain Atlantic directors of the basis on which a proposal for acquisition or merger could be formulated. These directors also represented Great Northern Capital Corporation Limited which held a majority interest in the shares of Atlantic. Learning of these discussions, the Receiver and Manager suggested it participate therein and disclosed to both parties the extent of the problems in the Commodore group. General Acceptance Corporation proposed that it be authorized to undertake immediately, without cost to the Receiver and Manager, an operational audit of Atlantic and its subsidiaries to establish whether or not a proposal to the shareholders could be developed. Within a very few days G.A.C. reported that very substantial losses were likely and that they could make no offer which gave any consideration for the common shares. The basis of a proposal for the acquisition of certain receivables and collection of others was outlined and negotiations as to the terms thereof commenced at once.

At this point, the Receiver and Manager informed other interested parties of its intention to negotiate and invited them to renew discussions. Disclosure was made of the problems discovered in the commercial/industrial sector and of the serious impairment of capital. Walter E. Heller & Company and International Telephone and Telegraph Corporation indicated further interest and negotiations ensued. The latter withdrew without submitting a formal proposal but, at a later date when proposals were before meetings of noteholders, announced that it would participate with Walter E. Heller & Company if the Heller proposal was accepted.

Negotiation of the G.A.C. proposal proceeded and culminated in the signing of a purchase agreement on July 21st, 1965. The agreement was expressed to become effective only with

final court approval. Details of the purchase agreement were kept confidential as other negotiations took place until a copy of the purchase agreement was mailed to noteholders on September 1st, 1965. Discussions had continued with representatives of Walter E. Heller & Company for a further period of five weeks until their proposal was submitted on August 27th, 1965.

In view of the terms of the proposals received and being negotiated, the Receiver and Manager took early action in advertising for bids to obtain all likely proposals and, pursuant to an Order of the Court, meetings of noteholders were called to consider and vote upon all proposals. Advertisements were placed in newspapers in Toronto and New York and offered for sale all or any part of the Atlantic assets. As a result of this action one additional approach was made and on August 19th, 1965 discussions with Laurentide Financial Corporation Ltd. were commenced. These continued through the date of the first noteholders' meeting on September 10th and up to the date of the adjourned meeting a week later.

During this period the Receiver and Manager was heavily involved in the preparation of a report to noteholders as to the preliminary actions taken by it and as to the state of the operations of Atlantic and the Corporation's financial position. It was felt that such a report would have first to be submitted for the information of noteholders prior to a meeting at which proposals for sale would be considered. This report was completed and mailed on August 18th, 1965 and was closely followed by information on the G.A.C. and Heller proposals, and analyses of the potential recoveries which the proposals would afford. Some idea of the volume of literature sent to noteholders at this time may be gained by an examination of the list of letters and enclosures set out at pages 19-20 of this memorandum.

Work continued on the negotiation of the Laurentide proposal and its terms and an analysis of the possible recoveries was sent to noteholders on September 3rd, 1965. Preparations for the note-holders' meetings continued and a great deal of material was assembled for the information of noteholders in anticipation of the questions which would be forthcoming. The details and procedure of the meetings are dealt with elsewhere but it is relevant here to comment further on the various proposals. As previously mentioned, the terms of the Laurentide proposal were still being settled up to the time of the September 10th meeting and supplementary material had to be prepared for distribution to noteholders at the meeting. The first meeting also led to an offer from the Walter Heller organization to amend the terms of its proposal to overcome certain objections voiced by noteholders. These were concerned with the inclusion in the Heller proposal of a collection arrangement on the commercial/industrial receivables which involved a flat fee of \$3,000,000, as well as a clarification of the terms of the proposal to acquire small loan receivables at percentage discounts based on delinquency condition. Following the meeting, the Receiver and Manager negotiated the proposed revisions and prepared new material for the adjourned meeting on September 17th, 1965.

During these negotiations the Receiver and Manager and its solicitors were principally concerned with the problems of obtaining the best possible terms for noteholders of Atlantic. Without any proposal for reorganization having been brought forward, and with the very large and undetermined loss exposure acting as a deterrent to any possibility of a merger proposal, the best solution appeared to lie in the negotiation of a sale which would give some recognition of the value of an established business, operating personnel and branch locations. The three proposals involved continuity of operations and permitted the Receiver and Manager to give some assurances to staff on the prospects of continued employment. A considerable loss of management staff was actually experienced with a detrimental effect on collections but the volume of business in the small loan subsidiary was maintained at least at pre-receiver-ship levels.

The alternative to the type of proposal sought by the Receiver and Manager was a programme of outright liquidation, shrinking staff and closing offices progressively. The best opinions obtained on the subject indicated that delinquency would rise quickly and that



heavy losses could be anticipated. Liquidation through collection agencies was a possibility but the fees which would be charged were considered high. In July the Receiver and Manager had met with senior executives of three of the major finance companies to discuss the situation and it was indicated that they would consider an arrangement to take over and collect receivables on a flat fee basis per instalment but that they would be unwilling to service heavily delinquent accounts or onerous collection problems. During the first noteholders' meeting this approach came up for discussion and a tentative proposal was discussed at the adjourned meeting. Since the meeting voted to accept the G.A.C. proposal the matter was dropped.

In addition to the meetings of senior noteholders previously mentioned, meetings of the subordinated and junior subordinated noteholders were held. The subordinated noteholders were informed of the proceedings of the senior noteholders and the possible conflicts between the senior and subordinated noteholders were discussed. It was indicated that Montreal Trust Company was prepared to turn over the trusteeship of the subordinated notes to a successor trustee. It was suggested that a formal committee of subordinated noteholders could be set up under the provisions of the trust indenture to represent the interests of the class and such a committee was officially constituted. The meeting was adjourned and a date for a new meeting set to follow immediately after the adjourned meeting of senior noteholders. The meeting of junior subordinated noteholders was very brief, and was adjourned indefinitely.

The adjourned meeting of the senior noteholders, held on September 17th, 1965, considered the revised proposals of Walter E. Heller & Company and Laurentide Financial Corporation Ltd. The Receiver and Manager had prepared revised estimates of realisation and considerable discussion ensued on the comparative merits of the proposals. After a motion for further adjournment was defeated, the meeting moved to accept the G.A.C. proposal and to authorize an application to the Court for approval of its implementation.

The meeting of subordinated noteholders which followed moved to oppose acceptance of the G.A.C. proposal and instructed the committee appointed at the first meeting to take all necessary steps to present such opposition. Counsel for the Trustee proceeded at once to obtain a date for a hearing on the proposal and the Court was asked to add the committee for the subordinated noteholders as a party to the action to permit them to be heard. Preparations were made for the hearing, which commenced October 12th, 1965 and continued until October 15th, 1965. After hearing the parties for and against the proposal, Mr. Justice Parker approved the G.A.C. purchase agreement and handed down an order to that effect immediately.

The terms of the G.A.C. purchase agreement deferred its implementation until time had run for an appeal or until any appeal against the order of approval had been dealt with. The committee for the subordinated noteholders entered an appeal within the time allowed but their right to appeal without leave of a judge of the Supreme Court was successfully contested by counsel for senior noteholders supporting the agreement. The committee then sought leave to appeal and this was granted by a judge of the Supreme Court of Ontario on November 12th, 1965.

In the meantime, the time limit imposed by G.A.C. had passed and it appeared likely that they would not leave the agreement open for the extended period which was in prospect. The operations of Atlantic were suffering from personnel losses, and delinquency ratios were rising. As an inducement to G.A.C. to extend the termination date until the appeal could be disposed of, the Receiver and Manager negotiated with them an agency agreement which established a fee basis for management assistance in the sales finance and small loan operations, the major portion of such fee to be rebated when the purchase agreement could be implemented. At that time the committee for the subordinated noteholders had formulated and mailed to senior noteholders a tentative scheme of reorganization. The Receiver and Manager called an informal meeting of senior noteholders to give the committee an opportunity to advance their scheme but a spokesman for the committee advised the meeting that they did not propose to speak to the matter. The Receiver and Manager then presented the agency agreement and

explained its background. The meeting was advised that formal approval of the agreement could not be given by the meeting but that the Receiver and Manager proposed to seek Court approval if no substantial opposition was voiced. On a show of hands, with only one dissenter, the meeting approved the implementation of the agency agreement. It was presented to the Court and approved over the opposition of the committee for the subordinated noteholders.

From that time on, until the appeal was heard and dismissed, G.A.C. provided management assistance to the Receiver and Manager. Atlantic staff were reassured as to the continuity of their employment and the operations were stabilized to a great extent. The effect on recoveries of the delays imposed by the appeal were impossible to assess beyond the extra fee paid to G.A.C. for its management assistance for a four month period. It was anticipated that this could be considered as a cost of maintaining the value of the asset until the purchase agreement could be implemented and, if nothing else, it had the effect of reducing the period required for the appraisal and sale of small loan receivables once the agreement was implemented. The responsibilities of the Receiver and Manager with respect to maintaining the value of the assets were considerably extended and the administrative burden imposed was much greater than anticipated.

### ***Sale of Personal Loan Receivables***

Upon receipt of advice that the committee for the subordinated noteholders had abandoned its opposition, the G.A.C. purchase agreement became effective. The Receiver and Manager then turned its attention to the means of implementing the agreement which necessitated meetings, correspondence and telephone conversations with G.A.C. and the solicitors of both parties. G.A.C. advised the Receiver and Manager of its intention to exercise its option to purchase the receivables of Atlantic Finance and to take over the leases of 97 of the branch offices and much time was spent in implementing the sale and transfer of the receivables and branch offices to G.A.C.

The mechanics of closing were settled and during the period of May 17th, 1966 to August 4th, 1966, the Receiver and Manager held ten separate closings at its office during which the Receiver and Manager sold approximately 85% of the receivables of Atlantic Finance against payment of \$21,021,491.57. In addition, because there were unavoidable delays between purchase date and closing date, with respect to each of the 97 branches, the Receiver and Manager negotiated an agreement with G.A.C. whereby it would pay the Receiver and Manager interest at the rate of  $5\frac{1}{2}\%$  per annum on the purchase price. This payment amounted to \$29,475.00.

### ***Sale of Residual Sales Finance Receivables***

Included in the purchase agreement with G.A.C. was an option by the terms of which G.A.C. could buy sales finance receivables of Atlantic for the amount of the unpaid balance thereon less unearned charges, dealer reserves and any other applicable liabilities or reserves. At the time the agreement was negotiated Atlantic had sales finance receivables, net of reserves, of \$53,780,807. Because of the conservative lending policies imposed by the Receiver and Manager there was only \$4,443,375 of new business written between June 17th, 1965 and April 30th, 1966, the day preceding the implementation of the purchase agreement. The total value of sales finance receivables at April 30th, 1966 after collections of \$30,789,034 and write-offs of \$2,511,923 was reduced to \$24,923,225. Under the terms of the G.A.C. agreement these could be purchased but, in effect, the better paper had been collected out and the balance had been subject to a rising delinquency rate which reduced its attraction to a purchaser. In addition the rising cost of money experienced by all finance companies substantially reduced the profitability of an investment in these receivables and it became apparent that none would be purchased.

Under the purchase agreement G.A.C. was obliged to continue collection of these receivables and was entitled to charge against the collection proceeds the costs of maintaining the

remaining sales finance offices. It had been expected that G.A.C. would be acquiring a portfolio of receivables in these offices for its own account and that operating costs to the Receiver and Manager would be reduced thereby but conditions in the industry have not been favourable to new business development and this compensating build-up did not occur and did not appear to be an early prospect.

Estimates of continuing expense indicated that there would be an increasing proportionate load on collections and the Receiver and Manager was concerned with finding an alternative to continued operation. At the request of the Receiver and Manager, G.A.C. appraised the sales finance receivables and negotiations led to a proposal from G.A.C. to buy the total outstanding receivables as at June 30th, 1966, amounting to \$19,921,784 at a discount of 27%, less unearned interest and dealer reserves. The discount of \$5,378,881 was considerably less than the \$6,861,696 already reserved against these receivables as a provision for losses and the 27% rate did not compare unfavourably with the actual average loss experience of 23% from the date of receivership.

Payment for the receivables was to be made in 6% Capital Notes of G.A.C. maturing in four annual instalments in amounts approximately equal to the estimated cash flow in continued liquidation. The Receiver and Manager was satisfied that the proposal was an advantageous one to the creditors of Atlantic and the terms of the proposal with comparative estimates of recovery were conveyed to noteholders in a letter dated September 9th, 1966 advising them of a hearing before the Court to seek approval of the transaction.

The hearing took place on September 23rd, 1966 before Mr. Justice Parker and the proposal was approved without opposition.

#### NOTEHOLDERS

During the early stages of receivership, while busily engaged with numerous urgent matters, the Receiver and Manager was besieged by requests from the noteholders for information and advice on the default of Atlantic and for estimates of the losses they might incur. The Receiver and Manager was hard pressed to deal with these enquiries initially since it took considerable time to sort out the facts but as a clearer picture emerged the Receiver and Manager attempted to keep all noteholders fully informed of developments, either by written reports or meetings.

The first of such meetings took place on July 19th at the Lord Simcoe Hotel in Toronto, approximately one month after the date of receivership. This was an informal meeting of representatives of institutional senior noteholders called by the Receiver and Manager to afford them an opportunity to ask questions about the affairs of Atlantic and for the Receiver and Manager to give a preliminary report on the progress of the receivership. The other meetings held are detailed at page 14 of this memorandum under the heading "Negotiations for and Sale of Receivables".

Before each of these meetings personnel of Montreal Trust spent considerable time with its solicitors and others in preparatory work. In the case of the formal meetings, the preparations included the drafting and settling of formal notices of meetings, regulations, proxies, ballots, agendas and comparisons of the offers received from G.A.C., Laurentide and Heller; arranging for the printing of all material and mailing same to registered noteholders; publishing notices of meetings; arranging for rental of a hall for the meetings and for microphones to be available for questions from the floor and for a tape recording machine to record the meetings.

At the formal meeting Montreal Trust supplied a staff of approximately 25 to record attendance, issue material and to act as scrutineers. In addition, a senior officer of Montreal Trust acted as chairman at all meetings.

As mentioned above, Montreal Trust also kept noteholders informed of all developments in the receivership through the mailing of various reports, statements and notices. A complete list of such mailings to August 31, 1966 follows:—



- June 16, 1965 — Letters to senior, subordinated and junior subordinated noteholders advising of the event of default. Enclosure — Notice of Default.
- August 18, 1965 — Letters to senior, subordinated and junior subordinated noteholders advising of meeting to be held on September 10, 1965 for the purpose of considering proposals for the sale or realization of the assets of Atlantic. Enclosures — Notice of Meeting; Regulations; Proxy Form and Report of the Receiver and Manager dated August 18, 1965.
- September 1, 1965 — Letters to senior, subordinated and junior subordinated noteholders re the General Acceptance Corporation and Walter E. Heller & Company proposals. Enclosures — copies of the G.A.C. and Heller proposals and Summaries and Estimates of Realization of the G.A.C. and Heller proposals.
- September 3, 1965 — Letter to noteholders advising of offer received from Laurentide Financial Corporation Ltd. Enclosure — copy of Laurentide offer.
- September 13, 1965 — Letter to senior noteholders advising of adjourned meeting to be held on September 17, 1965 to discuss the various proposals received by the Receiver and Manager.
- September 13, 1965 — Letter to subordinated noteholders advising of adjourned meeting to be held on September 17, 1965 to discuss the various proposals received by the Receiver and Manager and of a resolution passed at the meeting held on September 10, 1965 appointing a committee to represent the holders of subordinated notes. Enclosure — Extraordinary Resolution of Holders of Subordinated Notes.
- September 14, 1965 — Letter to noteholders setting out proposed amendments to the Heller offer.
- September 23, 1965 — Notice of Motion relating to hearing to be held before Mr. Justice Parker on October 1, 1965 to determine procedure for approval of G.A.C. purchase agreement.
- October 5, 1965 — Letter to senior noteholders reporting on application to be made to the Supreme Court of Ontario on October 12, 1965 for approval of the G.A.C. purchase agreement, and on writ issued by Donald Ross. Enclosure — Notice of Motion.
- November 12, 1965 — Letter to senior noteholders advising of informal meeting of senior noteholders to be held on November 18, 1965 to discuss the proposed Plan of Reorganization put forward by the committee for the subordinated noteholders, and other matters. Enclosure — Proxy Form.
- December 2, 1965 — Letters to senior, subordinated and junior subordinated noteholders reporting on the results of the informal meeting held on November 18, 1965 including the rejection of the Plan of Reorganization and the acceptance of the G.A.C. agency agreement by the meeting, and approval of same by Mr. Justice Parker; also reporting on the appointment of an informal committee to represent senior noteholders and advising as to the date of hearing of the appeal of the committee for the subordinated noteholders. The letter also advised noteholders of the appointment of Price, Waterhouse & Co. as auditors of the Receiver and Manager to prepare the financial statements for the year ended December 31, 1965. Enclosures — Copy of statement made to the meeting by Donald H. Tetzlaff, Chairman, Subordinated Noteholders Committee; Summary of Sales Finance and Small Loan Portfolios as at October 31, 1965; Copy of agency agreement with G.A.C.
- January 22, 1966 — Letter to senior noteholders reporting on the Royal Securities Corporation Limited action and hearing to be held before Mr. Justice Parker on January 28, 1966. Enclosure — Notice of Motion.

- February 3, 1966 — Letter to senior noteholders reporting on the Donald Ross and Royal Securities Corporation Limited litigation. Enclosure — Donald Ross Statement of Claim.
- February 17, 1966 — Letter to senior noteholders advising of the dismissal of the appeal taken by the committee for the subordinated noteholders from the decisions approving the G.A.C. purchase agreement. Enclosure — Reasons for Judgment.
- April 1, 1966 — Letter to senior noteholders reporting on the decision of committee for the subordinated noteholders not to appeal to the Supreme Court of Canada and advising that the G.A.C. purchase agreement had accordingly become effective. The letter also reported on the progress of the audit and set out a Statement of Condition as at June 17, 1965.
- August 3, 1966 — Report of the Receiver and Manager dated August 3, 1966. Enclosure — Financial statements for the year ended December 31, 1965.

### ***Informal Committee of Senior Noteholders***

At the last informal meeting of senior noteholders held on November 18th, 1965 a discussion took place as to the desirability of having a senior noteholders' committee to advise and work with the Receiver and Manager and the formation of such a committee was proposed. Because this was not a formal meeting no voting was held on the proposal. However, an informal committee was organized comprising eight representatives of institutional investors in Canada and the United States, plus one individual noteholder.

The Receiver and Manager has kept the informal committee advised on all matters of the receivership including matters which, for various reasons, could not be disclosed to the noteholders at large. In addition to numerous telephone conversations and correspondence, the Receiver and Manager has also held several day long meetings with the committee at which representatives of G.A.C., The Clarkson Company Limited and the auditors and solicitors of the Receiver and Manager were also present.

### **PERSONNEL**

As mentioned previously, one of the prime assets of the Atlantic organization was its staff of skilled employees. This fact was borne out when the Receiver and Manager was engaged in negotiating with potential purchasers of Atlantic's receivables and in the case of G.A.C. it was a condition of their proposal that there would be no material change in the number of employees should their proposal be accepted. Therefore, the Receiver and Manager took great pains to keep the employees fully informed of developments for the purpose of gaining their confidence and to avoid, if possible, their resignations. On June 22nd, 1965, the Receiver and Manager wrote to each employee advising of the receivership and giving assurance that his salary, employee benefits and any rights he may have would be the responsibility of the Receiver and Manager. In addition, the Receiver and Manager promised to redeem all outstanding thrift certificates issued to employees. The status of these certificates was causing the employees a great deal of concern and the Receiver and Manager had received numerous telephone calls from employees to ascertain the Receiver and Manager's intentions. These certificates were issued by Atlantic Acceptance pursuant to an arrangement whereby its employees left a portion of their salary with the Corporation payable on demand. The aggregate debt evidenced by thrift certificates outstanding at June 17th, 1965 was \$47,720. Since this debt was unsecured, the Receiver and Manager was, in the opinion of its solicitors, not under a legal obligation to recognize it ahead of the claim of the holders of senior notes. However, it was readily apparent that failure on the part of the Receiver and Manager to recognize this claim and make an immediate announcement to employees of its intentions in this regard would seriously prejudice the relationship of the Receiver and Manager with the employees. The potential harm which, it was felt, would result from taking no action on the claim seemed to the Receiver and Manager to be such that the ultimate return to the creditors would be

decreased by a greater amount than that represented by the thrift certificates outstanding. Accordingly, the Receiver and Manager recognized the thrift certificates and has made payment on them as requested.

After the approval of the G.A.C. purchase agreement by the senior noteholders and the Court the employees became restless with the delays in implementation resulting from the appeal taken by the committee for the subordinated noteholders and the Receiver and Manager had great difficulty in retaining staff. On two occasions the Receiver and Manager arranged meetings with all supervisors and branch managers across Canada in attempts to alleviate their fears and create a feeling of security for employees at all levels. On the whole the efforts of the Receiver and Manager were successful. While there were various resignations, including some at the branch manager and supervisory level, the Receiver and Manager was able to fill the vacancies, relying heavily on promotions from within the organisation.

Insofar as the senior management was concerned, the Receiver and Manager experienced some difficulty in retaining the services of Mr. A. G. Woolfrey, Director of Operations of Commodore Sales Acceptance Limited on what was known to be a temporary basis only. Mr. Woolfrey resigned in July, 1965 but after negotiations with the Receiver and Manager agreed to withdraw his resignation until the Receiver and Manager advised him that his services were no longer required. Because Messrs. Morgan and Woolfrey were the only officers who had complete knowledge of the affairs of the Commodore group of companies and since it was unknown as to how long Mr. Morgan would be available for consultations, it was essential for the Receiver and Manager to retain Mr. Woolfrey as a source of information. The Receiver and Manager dispensed with his services at the end of January, 1966.

In addition to Messrs. Morgan and Woolfrey, the Receiver and Manager also discharged the following senior officers of the Corporation as and when their services were no longer required—David Davidson, Secretary; Barrie L. McFadden, Treasurer and Assistant Secretary and Donovan R. Lytle, Assistant Treasurer. This action, of course, resulted in substantial savings in payroll costs.

### INVESTMENTS

Because of the Receiver and Manager's policy of reduced lending activities the Receiver and Manager began to accumulate surplus funds from the cash flow early in the receivership. The Receiver and Manager initially invested these funds in short term treasury bills and other Government of Canada obligations to obtain the necessary liquidity. When it became apparent that the funds would not be required for working capital the Receiver and Manager began to invest most of the funds in long term bank deposit receipts which resulted in a substantial increase in yields. From time to time when attractive yields were not obtainable from the banks the Receiver and Manager reverted to investment in short term obligations of the Government of Canada. These obligations were sold and the proceeds reinvested as new investment opportunities occurred. Prior to making any investment the Receiver and Manager canvassed investment dealers and banks in order to obtain the highest yields possible.

One of the investment problems encountered by the Receiver and Manager was to determine the approximate date of an interim distribution to senior noteholders so that maturity dates of investments could be arranged accordingly. The Receiver and Manager had hoped that funds could be turned over to the Trustee in May, 1966 for payment to noteholders and consequently the bulk of the first monies were invested to mature in that month. However, because of the Ross and Connecticut General actions, dealt with at pages 22-23 of this memorandum, it became evident that no distribution could be made until the end of 1966 at the very earliest. Because of the uncertainty of a distribution date the Receiver and Manager commenced negotiations with the banks to give the Receiver and Manager an early redemption privilege with respect to deposit receipts should funds be required prior to the maturity date



of the investment. The banks were at first reluctant to accede to the Receiver and Manager's request but after further discussions satisfactory arrangements were concluded whereby the Receiver and Manager receives an excellent return on its investments coupled with liquidity and safety.

A list of the investments, sales and redemptions made by the Receiver and Manager during the mentioned period is set out in a separate memorandum filed herewith. Income received and interest accrued, as at August 31st, 1966, amounted to \$1,040,274. As of November 9, 1966 the aggregate amount invested by the Receiver and Manager was \$65,154,156.78. Of this sum \$40,568,397.28 was in securities payable in Canadian dollars with an additional \$12,427,511 represented by G.A.C. Capital Notes payable in Canadian dollars: \$12,158,248.50 was in securities payable in U.S. dollars.

From the commencement of the receivership to November 9, 1966 the aggregate dollar value of investments purchased by the Receiver and Manager was \$117,063,148.84.

### LITIGATION

Montreal Trust, as Trustee or as Receiver and Manager, has been involved in a number of actions since the date of receivership. Those relating to the approval of the General Acceptance Corporation purchase agreement and the subsequent appeal against the order of the Court approving the agreement are dealt with at pages 16 to 17. Other litigation falls under the following headings:—

#### *Royal Securities Corporation Limited Action*

The initial event of default which precipitated the receivership arose from the refusal of a bank to honour a cheque issued by Atlantic in repayment of a senior note held by Royal Securities which became due on June 14th, 1965. The note, in the amount of \$5,000,000, was then tendered by Atlantic for cancellation in the normal course of business and cancelled by the Trustee. On the following day the cheque was returned unpaid to Royal Securities and representatives of that company immediately sought the return of the note as evidence of their claim against Atlantic. The Trustee, after obtaining legal advice, took the stand that the note could not be reissued and restored to Royal Securities without Court direction. There ensued a series of meetings and discussions with solicitors for both parties to consider proceedings proposed by Royal Securities. The Trustee and its solicitors also consulted with several major holders of senior notes to determine the attitude which might be taken by noteholders in dealing with Royal Securities' claim.

The meetings and discussions required the attendance of officers of the Trustee on many occasions over the period from June 15th, 1965 to the end of March 1966 including attendance at all preliminary Court proceedings and at the trial of the action from March 28th to April 7th, 1966. Judgment in the action was handed down in late October, 1966, and the note has been ruled to be validly outstanding and unaffected by the cancellation. No appeal has been taken from the decision insofar as it related to the validity of the note.

#### *Donald Ross Action*

On September 28th, 1965 an action was commenced by one Donald Ross acting on his own behalf and on behalf of other holders of a class of subordinated notes of Atlantic. In this action Mr. Ross sought a declaration of the Court that all senior notes issued after June 30th, 1964, or such other date as might be determined, were issued in breach of a covenant in the senior note indenture restricting the amount of senior notes which could be issued to a multiple of the consolidated net worth of the Corporation and that such notes so issued were not valid senior notes and were not entitled to the security of the indenture.

Although this action was commenced at a time when the attention of Montreal Trust was heavily involved with meetings of noteholders and the subsequent preparations for presentation of the G.A.C. purchase agreement to the Court for approval, it was required to devote considerable time in consultation with its solicitors on the alleged cause of action and the possible implications as to the position of the Receiver and Manager in pressing forward for approval of a proposal accepted by a majority of senior noteholders the greater part of whose notes, if this action were successful, were not validly issued.

It was decided that the Ross action should not be permitted to delay the proceedings for approval of the G.A.C. purchase agreement and a notice to senior noteholders explaining the action was prepared and mailed and conferences were held with representatives of a number of senior noteholders on the merits of the action. Prior to the filing of a statement of claim on January 13th, 1966 and on up to the present, time has been spent with counsel and with senior noteholders and their representatives discussing the merits of the action and the available defences.

### ***Connecticut General Life Insurance Company Action***

On April 18th, 1966 a writ was served on the Trustee respecting an action commenced by Connecticut General, a holder of senior notes and subordinated notes but suing only as a holder of a Series L senior note and on behalf of the holders of all other notes issued by Atlantic in compliance with the terms of the senior note indenture, in which were put forward the same claims that were stated in the Ross action seeking a declaration that all senior notes issued after June 30th, 1964 were issued in breach of the covenant in the indenture limiting the amount of senior notes which could be issued and accordingly were not entitled to the security thereof. While the claims made were similar the status of the plaintiff as a holder of a senior note required reconsideration of the case and numerous meetings with counsel and conferences with various noteholders and their counsel have been held to consider the available defences and in particular as to seeking a means of joining in the action as defendants all holders of those senior notes which the plaintiff seeks to disqualify.

### ***Other Actions***

In the course of realising on the assets of Atlantic and its subsidiary companies the Receiver and Manager became aware, shortly after the commencement of the receivership, that the proper formalities had, in many cases, not been complied with in connection with the registration or filing of security instruments which had been obtained from debtor companies. The consequence of such failure is usually, depending on the circumstances of the particular case, to make the security instrument unenforceable by the person or company in whose favour it is given.

The most serious case of improper registration involved an assignment of book debts given by Aurora Leasing Corporation Limited to Commodore Sales. This assignment was filed in the appropriate office but the trustee in bankruptcy of Aurora contends that the assignment is null and void as against it by reason of certain deficiencies in the affidavit which is required to be filed together with the assignment. The Receiver and Manager, on the advice of its solicitors, has decided to affirm the validity of the assignment and judicial proceedings will be required to determine the matter; such proceedings have been commenced. In order to ensure that recovery on the assets of Aurora is not impeded while the proceedings continue the Receiver and Manager has entered into an agreement with the trustee in bankruptcy of Aurora relating to interim realisation on accounts receivable. In addition, the Receiver and Manager has informed the solicitors responsible for the preparation of the assignment that action will be taken against them for the consequential loss if the assignment is held to be unenforceable. The Receiver and Manager has since heard from the insurers of the solicitors

who prepared the assignment and has discussed with them the proposed claim. It is estimated that if the assignment is held to be unenforceable Commodore Sales will recover approximately \$600,000 less in the bankruptcy of Aurora than it would recover if the assignment was held to be enforceable.

There are several other cases in which various types of security instruments have been challenged and in most cases the Receiver and Manager has, on the advice of its solicitors, acknowledged the unenforceability of the particular instrument involved. The following are the principal instances:

- (1) A floating charge debenture given by Fredericks Department Store Limited in favour of Adelaide Acceptance was not properly registered and is unenforceable resulting in a decrease in the estimated recovery of Adelaide in the bankruptcy of Fredericks of approximately \$145,000. Action has been commenced against the solicitors concerned;
- (2) A chattel mortgage and a floating charge debenture given by American Marsh Pumps (Canada) Limited in favour of Commodore Sales are unenforceable resulting in a decrease in the recovery by Commodore Sales of approximately \$21,000. Negotiations are in progress with the insurers of the solicitor responsible for the faulty registration and it appears probable that this claim will be settled;
- (3) An assignment of book debts given by Trans Commercial Acceptance Limited in favour of Commodore Sales was improperly registered and is unenforceable. It is not yet clear whether any damages will be suffered as a result of the improper registration.

The Receiver and Manager also began shortly after the commencement of the receivership to consider whether the auditors of Atlantic and of certain of the subsidiary companies of Atlantic might be subject to some liability arising from their reports on the financial statements of such companies. It soon became apparent that the reserves for doubtful accounts set up on the balance sheets of these companies were grossly inadequate and the Receiver and Manager in consultation with its solicitors and The Clarkson Company determined to commence action against the auditors who reported on the financial statements of Commodore Sales and of Adelaide Acceptance. The trustee in bankruptcy of Aurora Leasing has commenced action against the same firm of auditors in respect of their reports on the financial statements of Aurora. These actions are difficult in nature and require detailed preparation. The Clarkson Company has conducted and reviewed with the Receiver and Manager the relevant information in order to provide the data upon which statements of claim may be based and it is anticipated that such statements of claim will be issued in the near future.

Atlantic and its subsidiary companies held a fidelity insurance policy on their employees with maximum limits of \$100,000, with supplementary coverage up to a maximum of \$200,000 for certain officers. After its initial investigation of the nature of certain of the accounts the Receiver and Manager determined that there were various outstanding loans which could only have been made as the result of fraudulent or dishonest acts on the part of certain Atlantic officers. The Receiver and Manager accordingly filed proofs of loss with the insurer. It may be that litigation will be necessary to settle this claim and the Receiver and Manager is prepared to take such steps as may be necessary for the purpose.

The Receiver and Manager also determined that certain of the acts referred to in the preceding paragraph should provide sufficient basis for actions against the officers involved. One such action has been commenced, relating to loans to Valley Farms & Enterprises Limited, but the statement of claim in the action and the decision as to what other actions should be commenced may be postponed until the completion of the hearings of the Royal Commission on Atlantic.



**PERSONNEL AND OFFICES OF MONTREAL TRUST  
INVOLVED IN THE RECEIVERSHIP**

Most of the actual contact and dealings with noteholders and other interested parties has been through officers of the Toronto branch of Montreal Trust, and the extent to which other personnel of Montreal Trust, both in Toronto and elsewhere, have been involved in the receivership may not be fully appreciated. Time and space do not permit a detailed account of the specific services performed by the many members of the staff of Montreal Trust who have been extensively involved in this matter. Every major department of the Company in both Montreal and Toronto has been required to supply special service and allocate personnel for lengthy periods to assist in the receivership.

For example, nearly every one of the other 22 branches of Montreal Trust in Canada has had to deal with enquiries from the noteholders, borrowers, landlords, investment dealers, etc. In addition, many of these offices have been used by Toronto Office for the purpose of obtaining information regarding borrowers and securities held for loans and for executing documents. In Nassau, Mr. J. H. Gaffney, President of Montreal Trust Company (Bahama) Limited, has spent considerable time with respect to the Lucayan Beach Hotel in Freeport, Grand Bahama, as have Messrs. Kerlin, Allison, McGinnity and Foss of Montreal office. Mr. Allison, a chartered accountant and experienced in hotel management, has been required to make a great many trips to either Nassau or Freeport to deal with various matters.

Mr. McGinnity, a mechanical engineer, has had to visit Freeport on many occasions to deal with the airconditioning and other mechanical equipment problems. Mr. J. H. Buchanan, Manager of the Ottawa Office and the real estate department of that branch has been closely involved with Conarm Developments Limited, a substantial debtor of Commodore Sales.

## FINANCIAL CONDITION

While the latest audited balance sheet of Atlantic was dated December 31st, 1965, unaudited figures of the parent company and its subsidiaries have been prepared monthly and, for the information of the Court, a pro forma balance sheet as of August 31st, 1966 has been prepared giving effect to the sale of the residual sales finance receivables in the parent company to G.A.C. This balance sheet is summarized below for the purpose of establishing the tangible assets position of the receivership at that date and to reflect the potential recovery for creditors

## ASSETS

Cash and deposit receipts.....	\$ 53,733,329
Shares of Great Northern Capital Corporation Limited .....	700,000
Notes of General Acceptance Corporation.....	12,427,511
Miscellaneous accounts receivable.....	811,675
Income taxes recoverable in respect of the year 1965.....	467,229
Prepaid expenses & other assets.....	41,544
Investment in subsidiary companies' shares at cost less amounts written off . . .	3,695,154
Advances.....	17,667,766
Equipment — at cost.....	892
Total Assets.....	<u>\$ 89,545,100</u>

## LIABILITIES

Accounts payable & accrued charges.....	\$ 208,706
Dividend payable.....	249,430
Senior debt.....	118,903,291
Subordinated debt.....	17,941,821
Junior subordinated debt.....	4,655,166
	<u>\$141,958,414</u>
Capital stock.....	\$14,455,087
Deficit.....	<u>66,868,401</u>
	<u>\$ 89,545,100</u>

The item "Investment in subsidiary companies" reflects the value of receivables still held for collection in those companies after providing reserves for losses consistent with those shown in the statements of the subsidiaries which were included in the financial statements of December 31st, 1965. Of the liabilities shown little, if any, of the accounts payable and accrued charges will rank ahead of the claims of the senior noteholders, which also rank ahead of the dividend payable, so that, for practical purposes, the \$89,545,100 asset figure represents a conservative estimate of recoveries for the senior notes (before deduction of receivership expenses), the liability on which ranks prior to the other liabilities.

Additional recoveries are anticipated from the written-off accounts previously mentioned and the cash position of the Receiver and Manager will be augmented, up to the date of the first distribution to noteholders, by interest received on investments and deposits which is accruing at the rate of \$250,000 per month. Over the life of the G.A.C. Capital Notes interest of \$1,692,600 will be received. Additional cash realisations are possible from claims being litigated by the Receiver and Manager, from claims against insurers and from recoveries of income taxes paid in prior years.

Earnings and Expenses

It will be of interest to the Court, and to the creditors of Atlantic, to review the performance, in terms of earnings, of the operating segments of Atlantic. For this purpose it is appropriate to summarize earnings and expense from June 17th, 1965 to August 31st, 1966. As of the latter date, operating expense virtually terminated as a result of the agreement to sell all of the residual sales finance receivables and of the completion, in August, of the appraisal and sale of small loan receivables to G.A.C. After that date expenses relate only to collection of residual receivables, except in the case of Standard Discount which continues to operate at a profit after providing for interest on the advances of Atlantic as well as an annual management fee. These items and other inter-company transfers are excluded.

The financial statements rendered by the Receiver and Manager as at December 31st, 1965 contained operating figures for all subsidiaries but the important statement for this purpose is the combined statement of loss with respect to the period June 18th to December 31st, 1965. The major portion of operating income and expense appears therein under the heading of Atlantic Acceptance and Atlantic Finance which at that point in time were still operating in the sales finance and small loan businesses pending approval of the G.A.C. purchase agreement. Operating income in a finance company is, of course, calculated on an accrual basis and is largely a monthly adjustment of the reserve account for unearned interest and discount. In the lowest category of small loans there are monthly cash collections of which part of the payment is allocated to interest earned and the balance to reduction of principal but this is a relatively small part of the amounts dealt with here.

Operating expenses, which were detailed in the year-end financial statements, also include a few non-cash items such as provision for losses but in the periods discussed they were not significant amounts. Expenses shown include the full amount of fees paid to G.A.C. under the consulting agreement, up to November 18th, 1965, and under the agency agreement, from November 18th, 1965 to March 31st, 1966, as well as all expenses of G.A.C. related to the services rendered to the Receiver and Manager. Expenses of the Receiver and Manager included in the accounts of Atlantic Acceptance over the period totalled \$100,000.

	Atlantic Acceptance Corporation Limited		Atlantic Finance Corporation Limited		Total
	June 18- Dec. 31, 1965	January 1- Aug. 31, 1966	June 18- Dec. 31, 1965	January 1- Aug. 31, 1966	
Operating Income.....	\$3,982,530	\$2,500,852	\$3,028,565	\$2,812,185	\$12,324,132
Interest on advances					
Lucayan Beach Hotel	66,348	288,633	—	—	354,981
Interest on Marketable					
Securities.....	100,114	940,160	—	—	1,040,274
	<u>\$4,148,992</u>	<u>\$3,729,645</u>	<u>\$3,028,565</u>	<u>\$2,812,185</u>	<u>\$13,719,387</u>
Operating Expenses....	<u>1,596,156</u>	<u>1,030,198</u>	<u>1,920,122</u>	<u>1,773,079</u>	<u>6,319,555</u>
Excess of income over					
expenses before pro-					
viding for accrual of					
interest on senior debt.	<u>\$2,552,836</u>	<u>\$2,699,447</u>	<u>\$1,108,443</u>	<u>\$1,039,106</u>	<u>\$ 7,399,832</u>
Interest on senior debt..	<u>\$3,149,081</u>	<u>\$4,122,261</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 7,271,342</u>

Proposed Basis for Compensation

The Receiver and Manager has been asked by a number of the noteholders and by the informal committee of senior noteholders for an estimate of the compensation which will be



claimed over the period of the receivership as a charge against the recoveries for creditors. In order to do this, it is necessary to give regard to the total estimated recoveries and the length of time and amount of effort which will still be required to effect them. The estimate has been made previously in this memorandum that \$89,500,000 is a foreseeable recovery with additional recoveries possible from written-off accounts, interest earnings and miscellaneous claims. The Receiver and Manager holds cash and deposit receipts available for distribution of over \$50,000,000 at the present time but it is anticipated that at least four years will be required for realization of the balance. The Receiver and Manager and its agent The Clarkson Company Limited have been heavily involved with the affairs of Atlantic and its subsidiaries for a period of seventeen months and, in this period, the greater part of the effort required to effect the anticipated recoveries has been expended. However, at this time the Receiver and Manager and The Clarkson Company are only seeking an interim award which relates more closely to the proportion of recoveries to date than to the proportion of the effort expended.

Having regard to the very large sums of money involved, the complexity of the matter, the great responsibility placed on the Receiver and Manager to resolve the problems encountered, the success of the efforts to date and the potential future recoveries, it is estimated that the total compensation to be sought over the life of the receivership will be \$2,925,000.

In arriving at such amount the Receiver and Manager has considered the estimate of compensation submitted by its agent, The Clarkson Company Limited. Their estimated compensation is \$1,500,000 for the total effort expended to date and to be expended over the remaining term of receivership and the Receiver and Manager has satisfied itself from discussions with the officers of that company that such estimate is fair and reasonable. Against this amount it is the intention of The Clarkson Company to credit a portion of the fees which will be awarded to them in the bankruptcy proceedings which were instituted by the Receiver and Manager against a number of the debtors of the Commodore group. Recoveries in these matters are not all capable of estimation, nor are the awards of fees certain, but for the purpose of this submission it is possible to say that \$375,000 may be available for abatement of The Clarkson Company's compensation as the portion of the fees awarded to them that is applicable to the recoveries on claims made by Atlantic and its subsidiaries in such bankruptcies. Since there are other creditors in all such matters it is not possible for The Clarkson Company to waive completely their fees as trustee in bankruptcy. The estimated net amount which The Clarkson Company Limited will seek as total compensation from the Receiver and Manager is, therefore, \$1,125,000.

The Receiver and Manager for its services in the matter estimates a total claim for compensation over the term of the receivership of \$2,000,000 which figure includes the claim of Montreal Trust for services rendered by it as Trustee during the term of the receivership. In stating this amount the Receiver and Manager is prepared to recognise the special charges that were imposed on the receivership by the appointment of G.A.C. in November, 1965 as an agent of the Receiver and Manager to assist in the management of the operations of the sales finance business of Atlantic and the small loans business of Atlantic Finance. This relationship was established to preserve the operating organization for the period required to dispose of the appeal taken by the committee for the subordinated noteholders against the approval by the Court of the G.A.C. purchase agreement which was accepted by meetings of the senior noteholders. The fee payable to G.A.C. was 10% of collections in the sales finance and small loan business, subject to a rebate of 75% of the fee when the appeal was disposed of and it became possible to implement the purchase agreement. The net cost of the agency arrangement for the period from November 18th, 1965 to March 31st, 1966 was \$193,825 with respect to collections of sales finance receivables and \$213,071 on the small loan receivables. These amounts were paid and charged to operating expenses in the accounts of Atlantic and Atlantic Finance and, in the latter case, the Receiver and Manager considers the expenditure to be a

reasonable cost of maintaining Atlantic Finance as a viable entity with no reduction in receivables outstanding or earnings over the period.

In the case of the sales finance receivables of Atlantic, on the other hand, the Receiver and Manager regards the expense as a part of the cost of liquidation, since little if any new business was written in the period, and is prepared to abate its estimate of compensation by \$200,000 on this account, reducing the total sum which may be claimed on its own behalf from \$2,000,000 to \$1,800,000.

To summarize, the estimated compensation to be claimed by the Receiver and Manager (and the Trustee) and its agent The Clarkson Company Limited, over the whole period of receivership, is as follows:—

Receiver and Manager, and Trustee .....	\$2,000,000	
Less: allowance for fees paid to G.A.C.....	200,000	\$1,800,000
The Clarkson Company Limited .....	\$1,500,000	
Less: allowance for estimated bankruptcy fees.....	375,000	1,125,000
Total estimated compensation.....		<u>\$2,925,000</u>

*Interim Award of Compensation*

While the Receiver and Manager and its agent consider that the greater part of the compensation to be awarded by the Court has been earned by the work done to date and by the extent to which the problems of the receivership have been resolved, they seek only an interim award commensurate with the proportion of possible recoveries actually effected to date. It is not suggested that the Court approve the estimates given of total compensation, since actual awards must be justified as they are sought from time to time over the years to come, but rather that the Court consider and approve an interim award to the Receiver and Manager, to the Trustee, and to The Clarkson Company Limited recognizing that such award is substantially below a fair allowance for the services described in this memorandum and is not allowed as full compensation for such services, and also that the recipients will be entitled to subsequent awards, the total of which will reflect the ultimate benefit to the Atlantic creditors of such services.

The Receiver and Manager accordingly recommends to the Court and requests approval of the following payments out of the funds held by the Receiver and Manager for the account of Atlantic Acceptance Corporation Limited in Receivership:—

Montreal Trust Company, Receiver and Manager and Trustee.....	\$1,000,000
The Clarkson Company Limited .....	\$ 750,000

The Receiver and Manager further respectfully requests that the Court approve the payment of the expenses set out in the statement submitted to the Court together with this memorandum, which include the accounts submitted by the solicitors of the Receiver and Manager and of the Trustee for their fees and disbursements to July 31, 1966. The solicitors' account addressed to the Receiver and Manager is for a fee of \$175,000 and disbursements of \$9,744.37, and that addressed to the Trustee is for a fee of \$50,000 and disbursements of \$109.10. These accounts are considered by the Receiver and Manager and the Trustee to be reasonable. The complete solicitors' accounts are being submitted to the Court together with this memorandum. It should be noted that these accounts do not include the services of counsel retained by the Receiver and Manager and the Trustee for court appearances. The accounts of such counsel will be submitted to the Court at a later date.

November 17, 1966

MONTREAL TRUST COMPANY  
Receiver and Manager and Trustee

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## **APPENDIX G**

**Statement of Frank Kaftel Taken in Paris,  
March 15, 1967**





**STATEMENT OF FRANK KAFTEL TAKEN IN PARIS,  
MARCH 15, 1967**

*(This statement was reduced to handwriting by A. E. Shepherd, Q.C., counsel to the Commission after two days of conversations with Kaftel at the Hotel Georges V. It was read over by Kaftel who made some changes to the text in his own hand, marked it "without prejudice" and "no publication" and signed it in the presence of the Commissioner and counsel "F. Kaftel" at the top of the first page. The corrections made by Kaftel to the original text were not made in literary form and the text here reproduced incorporates their sense. The original holograph is in the Commission's files.)*

I was born in the U.S.A. 65 years ago next September. I arrived in Canada in the year 1942 and became a Canadian citizen in 1949. I have been living in Paris, France, since 1957. Until March, 1966 I was associated with International Financial Advisory Service (I.F.A.S.) with its head office in Luxembourg. This went out of business and I am not now associated with any business and have nothing to do with a similar service calling itself International Advisory Service or another one called International Advisory Financial Service. At the present time I have no business.

I first heard the name of C. Powell Morgan, President of Atlantic Acceptance Corporation Limited, several years ago from Earl Glick, one of the principals of Delta Electronics Limited, who told me that he dealt with Morgan respecting financing required by that company. Sometime during the months of June or July, 1964 I met Allen Manus when he came to see me in Cannes at the Majestic Hotel. I had known Manus prior to this time but not favourably. He wanted to find a buyer for some shares of Lucayan Beach Hotel Company Limited (hereafter called L.B.H.). I do not now recall how many shares or at what price. In return for so doing I was to receive \$50,000. I did find buyers but the cheque delivered to Jules Schoen was not good, and I received \$20,000 cash after telling Schoen to get this for me. I did not receive the balance.

I have been shown a cheque for the sum of \$45,000 drawn on the Bank of Nova Scotia at Toronto by Daylite of Grand Bahama Limited and made payable to F. Kulunderino. This was my father's surname. The endorsement on the cheque is not in my handwriting. Schoen would receive such a cheque, cash it, and remit the balance to me in cash. I did not receive or handle cheques at any time—only cash. I did not receive \$45,000 in relation to the L.B.H. transaction or any other transaction to which this payment could relate. I received only \$20,000 and a promise

## APPENDIX G (Continued)

that I would receive the balance but I did not receive the balance. I recall that a lawyer was to be somehow involved in my receipt of the balance. I do not recall the details but I know I did not get the remainder of the money.

I do not recall Manus talking to me about C. Powell Morgan. Manus gave me the impression that it was he, Manus, who owned the shares of L.B.H.

Schoen was known to me for many years and was employed by me when I lived in Toronto. He was a runner or courier. It was his job to pay salesmen and others and to collect money due. He was always paid by a small share in profit equal to a full share taken by all salesmen. In connection with the L.B.H. transaction and the Commodore Business Machines (Canada) Limited transaction (hereafter C.B.M.) and the Analogue transaction his duty was to receive money and remit it to me. He introduced the C.B.M. transaction to me.

I first heard of the C.B.M. transaction and of Morgan sometime during the month of October 1964. Schoen wrote me and told me that he was bringing Morgan over to Paris to discuss the sale of a deal in shares in Europe. I first saw Morgan on 31 October 1964 at the Georges V Hotel. He was accompanied by Jack Tramiel and Rennie Goodfellow. Schoen was also present.

I have been told that both Tramiel and Goodfellow have stated that Tramiel was not present on this occasion from the beginning. This is absolutely untrue. All three arrived on the same day, all stayed at the same hotel, and I met all of them together. All took part in the discussions then held and all were aware of all arrangements made.

Morgan showed me a list of the lenders to Atlantic and I was greatly impressed by the names and amounts listed. They all talked about a previous effort to sell shares in Europe during the previous year when they had arranged for Bank Maerklin through a Mr. Blaha and one Antin to find purchasers. As I remember it they said that about 180,000 shares had been sold in Europe but that they had had to repurchase most of them although there were still many shares in European hands.

Later on in the course of this transaction I had delivered to me copies of the transfer sheets relating to ownership of the shares of C.B.M. during the time that the shares were being distributed through Bank Maerklin in Europe and I carefully analysed them. I observed that the families of Tramiel, Kapp, and Gregory were sellers of their stock during this period which made it more difficult to support the market. I called this to Morgan's attention and he professed to be very annoyed about it. I am not aware of any reason why Gregory should not have sold his shares (there were other officers of C.B.M. who sold), since he was not, so far as I am aware, a partner in the syndicate distributing stock, but I believed that Kapp and Tramiel were partners.

## APPENDIX G (Continued)

At this first meeting I examined the financial statements, inquired about the holdings of shares, and discussed the prospects of the company. I asked who owned the convertible debentures and Morgan said that he owned or controlled them. I noted that the company had plants in Europe and I decided to go and see them. Tramiel told me that the company was about to manufacture an electric portable typewriter and everything I heard about the company impressed me.

The terms of the agreement then made were these: (1) I was to be paid \$25,000 per week; (2) I was to recommend the purchase of the shares; (3) I was to cause 35,000 shares per week to be sold, on the average.

I went to Berlin and to Baden-Baden to inspect the plants formerly owned by Willy Feiler and now subsidiary to C.B.M. I was very enthusiastic about what I saw. I was shown a machine which they said was being manufactured and sold by them at a profit to I.B.M. for \$3,000.00 per machine and I was told that I.B.M. were able to get \$30,000.00 for the same machine. I was shown a prototype of a portable electric typewriter which, I was told, had about half as many parts as the only competitor—the Royal typewriter. The management staff told me that the company could make this machine for \$23.00 each and sell them for \$93.00 each. They expected to sell 200,000 per year and showed me orders for 200,000. I noticed that the cost of labour was extremely low and I was also surprised with their adding machine and a small hand calculator which they were selling profitably in large numbers. I believed the company had great prospects and that the shares might well sell at \$20.00.

I recall receiving six payments of \$25,000 each. I may have received all or part of the payment of \$35,000 made by cheque dated 14 October 1964. I do not have any written records and I cannot be sure. During 1964, therefore, I received not more than 125,000 plus a possible 35,000. Tramiel was fully aware of this arrangement, as was Goodfellow. I recall, on the occasion of my second meeting with these three men, which occurred at the Georges V on 3 December 1964, Tramiel joined us about noon, having come from Berlin that morning. He told Morgan that he should not pay me \$25,000 because we had not sold 35,000 shares in the week then being discussed. I pointed out that we had sold 35,000 shares per week on the average and stated that I was entitled to the money. Morgan made no difficulty about paying me. In all the discussions I had with Tramiel or Morgan it seemed to me that Tramiel was a full partner in this transaction relating to the C.B.M. shares and he was always fully informed and took a leading part in the discussions.

I stopped all work on selling C.B.M. shares around 8th December 1964 and, as my passport shows, I was absent from France from 8 December to 4 January. I went to Rome and on, by stages to Bombay.



## APPENDIX G (Continued)

I met with Morgan and Goodfellow, again at the Georges V, on 10 or 11 January 1965. At this time the deal on C.B.M. shares was changed. Henceforth I was to continue to support it in my bulletin. I was to receive \$8,000 per week henceforth. My recollection is that these payments were to be made for about four weeks. I have been shown cancelled cheques payable to F. Kulunderino dated as follows for the amounts referred to:

8 January	1965	.....	\$10,000
15 January	1965	.....	25,000
22 January	1965	.....	25,000
29 January	1965	.....	27,500
6 February	1965	.....	12,500
12 February	1965	.....	42,400

I say that I did not receive the proceeds of these cheques and I do not know who did. The payment of my \$8,000 per week was to be made at the end of the Analogue transaction, which I will deal with now.

Morgan and Goodfellow told me that Morgan had acquired over 400,000 shares of Analogue and wished to sell the shares. Morgan said they had cost him \$2.00 per share but Goodfellow corrected him and said "No, Powell, we paid \$2.20 per share". The arrangement agreed to was that the proceeds of all shares sold in excess of \$2.20 per share was to be divided equally between me and Morgan after the deduction of broker's commission. Goodfellow was to keep the usual accurate record of the shares sold which I could check against the reported volume on the exchange. I was to receive my share of the proceeds from Schoen. I believe that Morgan had to make some further division of his interest but I do not know to whom he was to pay it or in what proportion. As far as I am aware David Rush had no part in this transaction and I do not believe he did. The only dealings I ever had with Rush in my life of this nature related to the Northway shares and I lost money on it. I have no reason to believe that S. Ciglen had an interest. I simply do not know who had any right to Morgan's share other than I. My attention has been directed to a payment of \$58,500 to Atlas Bank Limited. This money was not paid for my benefit and I do not know who got it.

I do not know how much I was paid by Schoen, I know only that by June 1965 Morgan owed to me \$256,000 as a result of the Analogue transaction and I was never paid that sum or any part of it. I asked Morgan for the money and he promised to pay me but he did not. I asked him for shares of C.B.M. or Atlantic or even Analogue in lieu of the money but he said I would receive the money the next day—this was in London. It has been called to my attention that payments

## APPENDIX G (Continued)

were made to Schoen out of the Royal Bank of Canada account in Freeport, Grand Bahama, substantially in excess of \$300,000. I did receive some of that money but not as much as half of it. Schoen told me that he paid other people and gave some cash to Morgan. I felt I was not getting my share and I also believed that shares were being sold off the exchange of which I had no record. Morgan had asked me originally to find a purchaser for 10,000 shares and I did so at the beginning of the transaction. After Analogue collapsed I had to make good the loss offered by the purchaser because it was a bank whose goodwill I wished to retain.

I knew that Atlantic borrowed money from financial institutions and I tried to find money for Atlantic in order to earn a commission. I referred Morgan once to a Middle Eastern bank which had large sums to lend from deposits by one of the oil sheikdoms. After some difficulty in getting Morgan to keep the appointment, he met with an agent of the bank in New York. The bank was prepared to consider lending very large sums—amounts up to fifty millions were discussed. Morgan told me later that he refused to continue the discussion because someone involved in the transaction wanted some money “under the table”.

About one month before the collapse of Atlantic I obtained a firm commitment from a German bank of the highest reputation to lend ten million at  $6\frac{3}{4}\%$ . Morgan refused that offer on the ground that he would not pay more than  $6\frac{1}{4}\%$ . I was astonished since money was getting hard to find. I asked him about this on a Saturday in early June 1965 at the Westbury Hotel in London, England. He said he was getting twenty millions from Kuhn, Loeb in New York within a few days and he did not need the money. I believe this was Saturday, June 5, 1965. Until the collapse occurred I had no doubt about the stability of Atlantic.

I met Tramiel twice at the Georges V in 1964 and once more at the same place in 1965 before the collapse of Atlantic. After the collapse I met him and Goodfellow at the Hilton Hotel in London, England. On the last occasion he was very critical of Morgan. I said that he had nothing when he met Morgan so even if he had nothing now he had broken even. I was interested in the future of C.B.M. because I had put so many of my clients in it. Goodfellow said there was a “mystery man” who was going to take over the company. Finally at a meeting in Bermuda in the late summer or early autumn of 1965 he told me the mystery man was Irving Gould.

I met Irving Gould in Nassau in the winter of 1965. He told me that he had received \$400,000 out of C.B.M. when that company sold Willson Stationers and that Tramiel and Goodfellow also had an interest in that money. Gould was drinking heavily at the time.

I forgot to mention that as part of the C.B.M. share deal, Morgan and Tramiel told me they made some arrangement with Antin to make

## APPENDIX G (Continued)

sure that the European clients to whom Antin had sold stock would continue to hold their shares while the sales were being made in late 1964 and early 1965.

During various discussions I had with C. Powell Morgan he would sometimes make telephone calls to Switzerland, I formed the impression that he had bank accounts in banks in Lausanne and Zurich and possibly in Geneva. Once I asked Morgan if he was satisfied with the outcome of the C.B.M. transaction involving the sale of shares in Europe. He said he was and had made over one million dollars. He once told me that he wanted to keep a large position in C.B.M. with a view to giving it ultimately to his son. In the spring of 1965—about May—I suggested to Morgan that if he would like to sell 100,000 common shares of Atlantic for \$22,000 less a 3% commission for me, I could find a purchaser readily, but he refused and said the stock had cost him more than that. I am certain that Morgan never thought that Atlantic was in any danger whatsoever of collapse.



# **APPENDIX H**

## **Report on Analysis of Accounts Receivable and Bad Debt Allowance Requirements as at December 31, 1964**



## APPENDIX H

### ATLANTIC ACCEPTANCE CORPORATION LIMITED AND SUBSIDIARY COMPANIES

#### Analysis of Accounts Receivable and Bad Debt Allowance Requirements as at December 31, 1964

	<i>Accounts Receivable (Net of "Holdbacks" and Unearned Interest)</i>	<i>Estimated Requirement for Allowance for Bad Debts</i>	<i>Allowance Provided in the Financial Statements</i>	<i>Additional Allowance Required</i>
Commodore Sales Acceptance Limited.....	\$ 29,931,289	\$10,486,300	\$ 678,534	\$ 9,807,766
Commodore Factors Limited (Converted from U.S. funds).....	7,031,381	4,110,000	172,756	3,937,244
Adelaide Acceptance Limited.....	4,018,027	3,294,000	87,646	3,206,354
	<u>\$ 40,980,697</u>	<u>\$17,890,300</u>	<u>\$ 938,936</u>	<u>\$16,951,364</u>
Atlantic Acceptance Corporation Limited.....	\$ 47,271,151	\$ 1,197,897	\$1,197,897	—
Atlantic Finance Corporation Limited.....	27,392,743	353,530	353,530	—
Atlantic Acceptance (Toronto) Limited.....	304,737	12,000	12,000	—
The Premier Finance Corporation Limited.....	4,406,572	1,675,000	93,308	1,581,692
Standard Discount Corporation Limited.....	3,016,956	111,024	111,024	—
Pay As You Study Plan Limited.....	27,360	16,619	16,619	—
	<u>\$123,400,216</u>	<u>\$21,256,370</u>	<u>\$2,723,314</u>	<u>\$18,533,056</u>

### ATLANTIC ACCEPTANCE CORPORATION LIMITED AND SUBSIDIARY COMPANIES

#### Effect on Shareholders' Equity of Provision of Appropriate Allowance for Doubtful Accounts as at December 31, 1964

Shareholders' equity as per published financial statements:			
Capital stock.....		\$14,455,087	
Retained earnings.....		1,451,076	
		<u>                    </u>	\$15,906,163
Deduct:			
Estimated requirement for allowance for doubtful accounts.....		\$21,256,370	
Less allowance provided as per published financial statements.....		2,723,314	
		<u>                    </u>	
Additional allowance required.....			\$18,533,056
			<u>                    </u>
			(\$2,626,893)
Add:			
Adjustment of income tax provisions—Current year.....		\$803,258	
—Previous year.....		\$ 341,270	
		<u>                    </u>	\$ 1,144,528
Shareholders' equity after correction for provision of appropriate allowance for doubtful accounts and adjustment of income tax provisions for current and previous year (impairment).....			<u><u>(\$ 1,482,365)</u></u>



## APPENDIX H

### ATLANTIC ACCEPTANCE CORPORATION LIMITED AND SUBSIDIARY COMPANIES

#### Effect on Consolidated Net Income of Appropriate Allowance for Doubtful Accounts as at December 31, 1964

Consolidated net income as per published financial statements .....		\$ 1,100,004
Deduct:		
Estimated requirement for allowance for doubtful accounts .....	\$21,256,370	
Less allowance provided as per published financial statements .....	2,723,314	
Additional allowance required .....		\$18,533,056
		(\$17,433,052)
Add:		
Reversal of current year's provision for income taxes .....		\$ 803,258
Consolidated net income for the year ended December 31, 1964 after correction for provision of appropriate allowance for doubtful accounts and adjustment of provision for current year's income taxes (loss) .....		(\$16,629,794)

**NOTE:**

The above schedule does not reflect any adjustments which would have been necessary in the circumstances with respect to previous years' income tax provisions.

### THE ATLANTIC GROUP—COMMERCIAL LENDING

#### Analysis of Auditors and Accountants of Debtor Companies at December 31, 1964

	Total Accounts		Accounts which were Clients of Walton, Wagman & Co. and/or Successor Firm		Percentage of total Accounts which were Clients of Walton, Wagman & Co. and/or Successor Firm	
	Number	\$ Value	Number	\$ Value	Number	\$ Value
Commodore Sales Acceptance Limited...	55	\$29,931,289	23	\$23,675,647	42%	79%
Commodore Factors Limited .....	16	7,031,381	1	1,119,142	6%	16%
Adelaide Acceptance Limited .....	18	4,018,027	4	3,231,509	22%	80%
Total .....	89	\$40,980,697	28	\$28,026,298	31%	68%
Aurora Leasing Corporation Limited...	42	\$14,252,594	12	\$ 5,791,034	29%	41%

# COMMODORE SALES ACCEPTANCE LIMITED

## Analysis of Accounts Receivable and Bad Debt Allowance Requirements as at December 31, 1964

Debtor	Debtor's Financial Position			
	Net Amount Owing (less reserves)	Book Value of Net Tangible Assets	Discounted Net Assets	Required Allowance for Bad Debts
1. Aurora Leasing Corporation Limited ..	\$ 8,825,244	\$ 411,545	(\$4,941,955)	\$ 1,800,000 .1
2. Cimcomy of Canada Limited.....	1,822,136	(79,741)	(590,000)	400,000 .2
3. Dalite Corporation (Canada) Limited..	7,335,828	148,593	(412,407)	1,354,000 .3
4. D.H.I. Limited.....	3,968,460	(1,646,858)	(2,560,000)	1,600,000 .4
5. Pro Musica Limited.....	1,139,433	(837,555)	(1,028,000)	975,000 .5
6. American-Marsh Pumps (Can.) Limited	631,192	(327,041)	(360,297)	400,000 .6
7. American Automation (Can.) Limited..	426,605			426,000 .7
8. A.J. & E. Goldberg Brothers Limited				
Trading as: Furniture Sales	291,916			
Registered & Seven Crown Motel...	111,234	(14,794)		80,000 .8
9. General Lawn Spray Limited.....	434,471	(184,148)	(321,000)	256,000 .9
10. Mart Utilities Limited.....	422,251	(27,572)	(544,000)	422,000 .10
11. Racan Photo-Copy Corporation				
Limited.....	240,854	(895,689)		165,000 .11
12. Trans Canada Millinery Sales Limited..	472,559	(260,413)		472,000 .12
13. Trans Commercial Acceptance Limited	286,875	116,058		— .13
14. Commodore Business Machines				
(Canada) Limited.....	359,170	1,031,875		— .14
15. Masco Construction Company Limited	810,298	(213)	(454,000)	400,000 .15
16. Anglo Discount Sales Limited.....	112,139	(4,793)	(101,978)	112,000 .16
17. D. R. Annett.....	55,945			— .17
18. Calcutta Holdings Limited.....	93,000	(107,838)		80,000 .18
19. Canada Motor Products (Toronto)				
Limited, now Gassem Enterprises Ltd.	187,239	(96,969)	(176,969)	148,000 .19
20. Canadian Dynamics Ltd.....	3,100		—	3,000 .20
21. Bond & Cosman Limited.....	64,719	(1,267,579)	(1,686,579)	65,000 .21
22. Canadian Nevil Enterprises Limited...	5,374	(52,751)		4,300 .22
23. Celtic Discount Stores Limited.....	143,806			144,000 .23
24. Chatsworth Enterprises Limited.....	26,337	(26,003)		26,000 .24
25. William C. Dymond.....	61,767	(15,413)		15,000 .25
26. J. Frame and J. Brewster.....	34,222	42,720		10,000 .26
27. Royalite Hospital Services.....	4			— .27
28. Frontier Steel Inc.....	1			— .28
29. Pearlsound Distributors Limited.....	135,417	(25,678)		65,000 .29
30. Golburn Discount Sales Limited.....	159,132			159,000 .30
31. Hastings Construction.....	1			— .31
32. Hilltop Holdings Limited.....	100,100	4,833		— .32
33. Jumbo Discount Sales Limited.....	171,914			172,000 .33
34. Kelton Ultrasonics Limited.....	31,501			31,000 .34
35. J. W. Kentish, Jr.....	15,000	111,700		— .35
36. M-Dee Surgical Supply Company				
Limited.....	1			— .36
37. Preston Lake Discount Stores Limited.	191,090			191,000 .37
38. Province-Wide Stores Limited.....	164,890	(56,237)	(132,000)	165,000 .38
39. Saxon Discount Stores Limited.....	136,809	(19,838)	(119,600)	137,000 .39
40. Solomon and Singer (in trust).....	25,000			25,000 .40
41. Spadina Discount Stores Limited.....	161,574			161,000 .41
42. Toronto Playfair Ltd.....	15,330			— .42
43. Trans Carribean Investments.....	(585)			— .43
44. Highlight Distributors Limited.....	23,116			23,000 .44
45. L. F. Winchell.....	3,009			— .45
46. True Promotions Inc.....	(14)			— .46
47. National Cordage Co.....	51,204	\$ 34,180		— .47
48. American Metropolitan Enterprises...	839			— .48
49. Fenix Manufacturing Ltd.....	78			— .49
50. McKee Bros. Eastern Ltd.....	563			— .50
51. Tropical Holiday Club.....	13,000			— .51
52. Valley Farm and Enterprises Limited..	124,179	(163,100)	(\$ 843,100)	— .52
53. Corporate Plan Leasing Limited.....	21,000			— .53
54. Halvan Equipment Leasing.....	2,413			— .54
55. Macardan Investments Limited.....	24,660			— .55
56. Miscellaneous.....	(6,101)			— .56
Total.....	\$29,931,289			\$10,486,300

# APPENDIX H

## COMMODORE SALES ACCEPTANCE LIMITED

### List of Auditors and/or Accountants of Debtor Companies

as at December 31, 1964

Debtor	Auditors or Accountants (As per most recent financial statements or as authorized by the records of the debtor company)	Most Recent Financial Statement		
		Audited	Qualified or Opinion Withheld	Unaudited
Aurora Leasing Corporation Limited .....	Walton, Wagman & Co. and/or successor firm	*	*	
Cimcony of Canada Limited .....	Walton, Wagman & Co. and/or successor firm			*
Dalite Corporation (Canada) Limited .....	Walton, Wagman & Co. and/or successor firm			*
D.H.I. Limited .....	McLeod, Dickson & Co.			*
Pro Musica Limited .....	Walton, Wagman & Co. and/or successor firm		*	
American-Marsh Pumps (Canada) Limited .....	Walton, Wagman & Co. and/or successor firm			*
American Automation (Canada) Limited .....	Not known			
A.J.&E. Goldberg Brothers Limited Trading as: Furniture Sales Registered & Seven Crown Motel .....	Walton, Wagman & Co. and/or successor firm			
General Lawn Spray Limited .....	K. E. Stoughton			*
Mart Utilities Limited .....	Walton, Wagman & Co. and/or successor firm			*
Racan Photo-Copy Corporation Limited .....	Grammer, Birnbaum & Co.		*	
Trans Canada Millinery Sales Limited .....	Walton, Wagman & Co. and/or successor firm		*	
Trans Commercial Acceptance Limited .....	Walton, Wagman & Co. and/or successor firm	*		
Commodore Business Machines (Canada) Limited .....	Rose & Harrison		*	
Masco Construction Company Limited .....	Walton, Wagman & Co. and/or successor firm			*
Anglo Discount Sales Limited .....	Walton, Wagman & Co. and/or successor firm			
D. R. Annett .....	—			
Calcutta Holdings Limited .....	James Stone			*
Canada Motor Products (Toronto) Limited, now Gassem Enterprises Limited .....	Walton, Wagman & Co. and/or successor firm			*
Canadian Dynamics Ltd. ....	Not known			
Bond & Cosman Limited .....	Walton, Wagman & Co. and/or successor firm			*
Canadian Nevil Enterprises Limited .....	M. M. Hahn & Co. Liquidators			*
Celtic Discount Stores Limited .....	Walton, Wagman & Co. and/or successor firm			*
Chatsworth Enterprises Limited .....	Walton, Wagman & Co. and/or successor firm			*
William C. Dymond .....	—			
J. Frame and J. Brewster .....	—			
Royalite Hospital Services .....	Not known			
Frontier Steel Inc. ....	Not known			
Pearlsound Distributors Limited .....	Walton, Wagman & Co. and/or successor firm	*		
Golburn Discount Sales Limited .....	Walton, Wagman & Co. and or successor firm			
Hastings Construction .....	Not known			
Hilltop Holdings Limited .....	Walton, Wagman & Co. and/or successor firm			*
Jumbo Discount Sales Limited .....	Walton, Wagman & Co. and/or successor firm			
Kelton Ultrasonics Limited .....	Not known			
J. W. Kentish, Jr. ....	—			
M-Dee Surgical Supply Company Limited .....	Not known			
Preston Lake Discount Stores Limited .....	Not known			
Province-Wide Stores Limited .....	Walton, Wagman & Co. and/or successor firm			
Saxon Discount Stores Limited .....	Walton, Wagman & Co. and/or successor firm			
Solomon and Singer (in trust) .....	—			
Spadina Discount Stores Limited .....	Not known			
Toronto Playfair Ltd. ....	Not known			
Trans Caribbean Investments .....	Walton, Wagman & Co. and/or successor firm			
Highlight Distributors Limited .....	Not known			
L. F. Winchell .....	—			
True Promotions Inc. ....	Not known			
National Cordage Co. ....	B. Gotlib			
American Metropolitan Enterprises .....	Not known			
Penix Manufacturing Ltd. ....	Not known			
McKee Bros. Eastern Ltd. ....	Not known			
Tropical Holiday Club .....	Not known			
Valley Farm and Enterprises Limited .....	Walton, Wagman & Co. and/or successor firm			
Corporate Plan Leasing Limited .....	Not known			
Halvan Equipment Leasing .....	Not known			
Macardan Investments Limited .....	Not known			



# COMMODORE SALES ACCEPTANCE LIMITED

## Debtor—AURORA LEASING CORPORATION LIMITED

Balance Receivable at December 31, 1964.....	\$ 9,456,244
Less: Floating charge debenture of Dalite Corp.....	631,000
Net amount receivable at December 31, 1964.....	<u>\$ 8,825,244</u>

### Latest Financial Report

Audited financial statements prepared by Wagman, Fruitman & Lando at  
December 31, 1964.

### Major Assets

Term accounts receivable.....	\$ 1,422,768
Notes receivable.....	1,303,767
Call notes receivable.....	3,878,610
Mortgages.....	2,239,758
Rediscounted notes receivable.....	5,407,691
Equipment (less depreciation \$778,126).....	1,305,420
Cash.....	252,876

### Major Liabilities

Outstanding cheques.....	\$ 993,316
Notes payable—secured.....	6,792,518
Convertible unsecured notes payable.....	529,000
Due re: rediscounted notes.....	5,407,691
Deferred revenue.....	1,357,692

Shareholders' equity—net tangible assets.....	\$ 411,545
Discount of assets—allowance for bad debts required less \$100,000 already provided.....	\$ 5,353,500
Discounted net tangible assets.....	(\$ 4,941,955)
Security held—General assignment of book debts dated December 21, 1960.....	

### Major Creditors at December 31, 1964

Commodore Sales Acceptance Limited (Note 1).....	\$8,825,244
British Mortgage & Trust Company.....	1,700,000
Adelaide Acceptance Limited (Note 2).....	2,210,883

### Notes

1. Commodore Sales Acceptance transferred a \$631,000 receivable owing by Dalite Corporation (Canada) Limited to Aurora Leasing Corporation Ltd. Aurora Leasing Corporation Ltd., however, never accepted this account or recorded it on its books. Commodore Sales Acceptance Ltd. subsequently reversed the transaction and gave Aurora Leasing Corporation Limited a credit of \$631,000. A formal legal assignment was never executed.
2. Although Adelaide Acceptance Limited notes were described as "secured" on the Aurora Leasing Corporation Limited balance sheet, there was no evidence of any registered security.

### Allowance for Bad Debts

Total assets per financial statements.....	\$15,710,890
Less: Deferred revenue.....	1,357,692
	<u>\$14,353,198</u>
Less: Estimated increase in allowance for doubtful accounts.....	5,353,500
Estimated realizable value of assets.....	\$ 8,999,698
Less: Preferred creditors—Income taxes payable.....	\$ 8,642
Outstanding cheques up to amount of cash in bank—say.....	252,876
	<u>261,518</u>
	<u>\$ 8,738,180</u>
Less: British Mortgage & Trust Company loan—secured by specific assignment of book debts.....	\$ 1,700,000
Assets available to meet Commodore Sales' loan secured by a general assignment of book debts.....	\$ 7,038,180
Commodore Sales Acceptance Limited's loan.....	8,825,244
Deficiency in security.....	(\$ 1,787,064)
Allowance required, say.....	<u>\$ 1,800,000</u>

## APPENDIX H

### Commodore Sales Acceptance Limited—(Continued)

#### Debtor—CIMCONY OF CANADA LIMITED

Balance Receivable at December 31, 1964.....	\$ 1,822,136
<b>Latest Financial Report</b>	
Unaudited financial statement prepared by Wagman, Fruitman & Lando at May 31, 1964.	
<b>Major Asset</b>	
Loans receivable.....	\$ 3,275,019
<b>Major Liability</b>	
Loans payable (Commodore Sales & Aurora Leasing).....	\$ 3,354,815
<b>Major Creditors at December 31, 1964</b>	
Commodore Sales Acceptance Limited at December 31, 1964.....	\$ 1,822,136
Aurora Leasing Corporation Limited at December 31, 1964.....	544,156
	<u>\$ 2,366,292</u>
Book value of net tangible assets (deficiency) .....	(\$ 79,741)
No allowance for bad debts on Cimcony of Canada's books.	
Current position (working capital deficiency).....	(\$ 82,000)
<b>Allowance for Bad Debts</b>	
Virtually the only asset shown by this Company's unaudited balance sheet is the above-mentioned item of Loans receivable in the amount of \$3,275,019. In the circumstances, an auditor would normally require to look into the collectibility of this item and the firm of Wagman, Fruitman & Lando had considerable knowledge of the affairs of Cimcony Limited's debtors and of their credit standing.	
The firm did all the accounting for Cimecony Limited and its subsidiaries, Briardale and Ticonderoga, and H. Wagman signed all cheques of these firms. Control of all expenditures was handled by Wagman's office from November of 1964 and they were active in settling mechanic's lien actions against the properties owned by the group.	
It was known that no cash was generated to pay even the loan interest—this was being capitalized, the properties were being operated unprofitably.	
The loans were secured by \$1,414,000 in mortgages on the Company's properties with the balance of Commodore Sales Acceptance Limited's loans (\$408,000) unsecured.	
The unsecured portion of the loans at December 31, 1964 was represented, in part, by the following questionable assets of the Cimcony Limited companies:	
Mortgage receivable from Dalite Corporation (Canada) Limited.....	\$ 306,072
(not recognized in the books of Dalite for which Wagman's firm were the accountants)	
Mortgage receivable from Housing by Cimcony Limited.....	\$ 206,114
(enquiry would show that this was purported to be expenses paid to Housing by Cimcony Limited for research and development, and therefore not recoverable).	
Discounted net tangible assets would therefore be in deficiency by at least.....	(\$ 590,000)
Total liabilities of Cimcony Limited at May 31, 1964 were.....	\$ 3,354,815
<b>Estimated secured position—</b>	
Mortgages.....	\$ 1,414,000
Assignment of Atlantic notes.....	2,000,000
At May 31, 1964 the loans would have appeared to be fully secured.	
At December 31, 1964 Commodore Sales Acceptance Limited was the largest creditor with loans of \$1,822,000 and security valued, prima facie, at only \$1,414,000.	
In view of the estimated deficiency in assets and poor earnings, a full allowance would be required against the unsecured portion of the Commodore Sales Acceptance Limited's loan, or approximately.....	<u>\$ 400,000</u>

# Commodore Sales Acceptance Limited—(Continued)

## Debtor—DALITE CORPORATION (CANADA) LIMITED

Balance Receivable at December 31, 1964 Notes receivable.....	\$ 6,704,828
Add: Floating charge debenture.....	631,000
Total amount receivable at December 31, 1964.....	<u>\$ 7,335,828</u>

### Latest Financial Report

Unaudited financial statement prepared by Wagman, Fruitman & Lando at December 31, 1964.

### Major Assets

Accounts receivable (net of 1½% allowance for doubtful accounts).....	\$ 7,003,043
Inventory.....	186,580
Investment (of which \$561,000 represents capital surplus "gain" and not a cash investment).....	566,000
Loans receivable.....	519,935
Fixed assets.....	66,343

### Major Liabilities

Accounts payable.....	\$ 505,864
Notes and loans payable.....	7,508,193
Shareholders' advances.....	122,343

Book value of net tangible assets..... \$ 148,593

Current position..... \$ 82,250

Latest earnings (after writing-off intangible assets of \$710,840)..... \$ 37,112

Sales for the year—\$8,678,989 (1963—\$1,709,216)

### Discounted net tangible assets:

Book value of net tangible assets.....	\$ 148,593	
Provision for loss on operating assets—unknown.....		
Investments (non-cash transaction set up in 1962 in the financial statements prepared by Walton, Wagman & Co.).....	(\$ 561,000)	(\$ 412,407)

### Comments

Based on the 1964 unaudited financial statements prepared by Wagman, Fruitman & Lando, an allowance of less than \$400,000 appears prima facie to be required. However, an examination shows that the remarkable 1964 improvement in operations is due to billings which were unpaid and which amount to over 91% of the loans receivable at December 31, 1964.

Furthermore, these billings were for the account of Daylite of Grand Bahama Company Limited—a Company which is owned 50% by Dalite Corporation (Canada) Limited and 50% by Associated Canadian Holdings (a Company of which H. Wagman is an officer).

It is apparent that Daylite of Grand Bahama Co. Ltd. had no capital and was financed completely by Dalite Corporation (Canada) Ltd. Wagman, Fruitman & Lando were the accountants for Daylite of Grand Bahama Co. Ltd. The collectibility of \$6.7 million in receivables, was wholly dependent on the sale of Daylite of Grand Bahama Co. Ltd.'s projects to the Lucayan Beach Hotel on a cost plus 10% basis. However, Daylite of Grand Bahama Co. Ltd. could produce no contracts evidencing a cost-plus agreement. The only contracts were fixed price contracts of amounts well below the prices Dalite Corporation (Canada) Ltd. set up in its books. This would cast serious doubt on the collectibility of Dalite Corporation (Canada) Ltd.'s account receivable. In addition, the statements of the ultimate purchaser, the Lucayan Beach Hotel Company Limited, showed heavy operating losses and reflected a probable inability to pay for the projects.

In view of the foregoing, it would be prudent to allow for losses in at least as great an amount as those which appeared necessary in 1963.

Allowance required, say.....	<u>\$ 1,354,000</u>
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## APPENDIX H

### Commodore Sales Acceptance Limited—(Continued)

#### Debtor—D. H. I. LIMITED

Balance Receivable at December 31, 1964.....	\$ 3,968,450
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#### Latest Financial Report

Financial statements prepared without the expression of an audit opinion by McLeod, Dickson & Co. Chartered Accountants, at December 31, 1964.

#### Major Assets

Accounts receivable (net of 17% allowance for doubtful accounts).....	\$ 1,930,140
Inventories—at cost.....	765,241
Fixed assets—at cost.....	963,671

#### Major Liabilities

Accounts payable, accruals and outstanding cheques.....	\$ 1,008,048
Loans payable.....	3,804,260
Debentures and mortgages payable.....	635,015
Due to Commodore Sales Acceptance Limited.....	\$ 3,968,450
Aurora Leasing Corporation Limited.....	356,158
	<hr/>
	\$ 4,324,608
Book value of net tangible assets (deficiency).....	(\$ 1,846,858)
Current position (working capital deficiency).....	(\$ 2,099,904)
Recent earnings (loss).....	(\$ 1,563,559)
Discount—	
Accounts receivable seem to have been written-down to a fair value.....	Nil
Inventories—say 20% discount for realizability.....	\$ 153,000
Fixed assets—inflated value of Cerametal purchase.....	561,000
Fixed assets—no depreciation taken—a write-down of 50% would seem reasonable (after deducting Cerametal inflation).....	201,000
	<hr/>
	\$ 915,000
	<hr/>
Discounted net tangible assets (deficiency).....	(\$ 2,560,000)

#### Allowance for Bad Debts

In view of the insolvency of this account since the inception of dealings with Commodore Sales Acceptance Limited, the lack of complete security for the loan, and the poor operating results, this account could be considered, at best, on an optimistic liquidation basis.

On liquidation the creditors might expect to realize at the discounted value of tangible assets, as follows:

Discounted tangible assets.....	\$ 3,031,133
Less: Outstanding cheques and preferred creditors.....	\$ 167,391
Secured creditors—	
Industrial Acceptance mortgage.....	174,576
*Aurora Leasing Corporation Limited debenture.....	350,000
Commodore Sales Acceptance Limited—assigned accounts receivable.....	1,930,140
Commodore Sales Acceptance Limited debenture—balance of available assets.....	409,026
(face value \$750,000)	
	<hr/>
	\$ 3,031,133
	<hr/>
Available for unsecured creditors.....	Nil
	<hr/>
Unsecured portion of Commodore Sales Acceptance Limited loan (\$3,968,450 less \$2,339,166).....	\$ 1,629,284
Allowance required, say.....	\$ 1,600,000
	<hr/>

\*The Aurora Leasing Corporation Limited debenture represents a first charge on operating assets of the Company and would take priority in settlement over Commodore's debenture.

## Commodore Sales Acceptance Limited—(Continued)

### Debtor—PRO MUSICA LIMITED

Balance Receivable at December 31, 1964.....	<u>\$ 1,139,433</u>
--	---------------------

#### Latest Financial Report

Financial statements prepared by Wagman, Fruitman & Lando with a disclaimer of audit opinion because of failure to attend inventory count at September 30, 1964

#### Major Assets

Inventory.....	\$ 381,438
Fixed assets (depreciation \$9,025).....	71,893

#### Major Liabilities

Accounts payable.....	\$ 167,251
Due to Finance Company.....	1,114,248
Mortgage payable.....	12,750

Book value of net tangible assets (deficiency).....	(\$ 837,555)
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Current position (working capital deficiency).....	(\$ 473,400)
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Discounted net tangible assets (deficiency) after 50% inventory discount.....	(\$ 1,028,000)
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#### Allowance for Bad Debts

In view of the severe and continuing insolvency, the failure to pay interest or principal since 1962, the gross loss on sales of 28% and the net loss on sales of 64% in 1964, this account was viewed on a liquidation basis as follows:

Total assets.....	\$ 456,694
-------------------	------------

Less: Accrued liability for duty.....	\$ 85,522
Mortgage payable.....	12,750
Discount of inventory—say 50%.....	190,719
	288,991

Assets available to meet Commodore Sales Acceptance Limited debenture.....	<u>\$ 167,703</u>
--	-------------------

Total due to Commodore Sales Acceptance Limited.....	<u>\$ 1,139,433</u>
--	---------------------

Allowance required, say.....	<u>\$ 975,000</u>
------------------------------	-------------------

## APPENDIX H

### Commodore Sales Acceptance Limited—(Continued)

#### Debtor—AMERICAN-MARSH PUMPS (CANADA) LIMITED

Balance Receivable at December 31, 1964. . . . . \$ 631,192

#### Latest Financial Report

Financial statements prepared by Wagman, Fruitman & Lando—(rough draft statement to be submitted with an unqualified audit report as in 1963) at December 31, 1964.

#### Major Assets

Accounts receivable and inventory. . . . .	\$ 210,000
Fixed assets (depreciation \$30,416) . . . . .	129,000
Development costs. . . . .	25,150

#### Major Liabilities

Outstanding cheques. . . . .	\$ 93,000
Advanced—Commodore Sales Acceptance Limited. . . . .	466,000
Notes —Commodore Sales Acceptance Limited. . . . .	128,800
Equity (impairment) . . . . .	(\$ 241,037)
Debt to C.S.A. exceeds tangible assets of Company by \$631,000—\$399,000. . . . .	\$ 232,000
Book value of net tangible assets (deficiency) . . . . .	(\$ 327,041)
Discounted net tangible assets (deficiency) . . . . .	(\$ 381,041)

A review of the December 31 balance sheet in terms of a liquidation of the Commodore loan would produce the following analysis:

Total assets per balance sheet. . . . .	\$ 485,092
Deduct intangible assets—development costs. . . . .	\$ 85,150
—organization expense. . . . .	854
	86,004
	\$ 399,088
Deduct probable prior claims—Walton Co. . . . .	\$ 10,000
—Lien notes. . . . .	14,116
	\$ 24,116
	\$ 374,972
Deduct cash in bank as contra against the outstanding cheques. . . . .	47,077
	\$ 327,895
Deduct asset valuations:	
10% on receivables of \$115,267. . . . .	\$ 12,000
20% on inventories of \$95,836. . . . .	19,000
20% on net fixed assets of \$129,429. . . . .	\$ 26,000
	\$ 57,000
Estimated value of assets available to Commodore. . . . .	\$ 270,895

Because of its fairly comprehensive security (floating charge debenture, etc.) it is probable that all the available assets would go to Commodore Sales Acceptance Limited. In this case the estimated loss would be as follows:

Total loans to American-Marsh Pumps (Canada) Limited. . . . .	\$ 631,192
Estimated value of assets. . . . .	270,895
Deficiency. . . . .	\$ 360,297
Allowance required, say. . . . .	\$ 400,000



## Commodore Sales Acceptance Limited—(Continued)

### Debtor—AMERICAN AUTOMATION (CANADA) LIMITED

Balance Receivable at December 31, 1964..... \$ 426,605

#### Latest Financial Report

There is no evidence of financial statements ever being prepared for this Company since its inception in 1962.

#### Major Assets (estimated)

100% of the shares of American-Marsh Pumps (Canada) Limited	
10,000 shares at cost of .....	\$ 62,400
90% of the shares of Sprayfoil Corporation	
3,874,500 shares at cost of .....	\$ 275,400

#### Major Liability

Loan of Commodore Sales Acceptance Limited..... \$ 426,605

This Company appears to be merely a holding company for the shares of American-Marsh Pumps (Canada) Limited and Sprayfoil Corporation.

Although there may have been no financial statements available to the auditors, Walton, Wagman & Co. were the auditors of both subsidiaries and, as such, were in a position to assess the value of American Automation (Canada) Limited.

The financial position of the two subsidiaries was as follows:

American-Marsh Pumps (Canada) Limited	
Net tangible assets (deficiency) .....	(\$ 327,041)
Sprayfoil Corporation	
Net tangible assets (deficiency) .....	(\$ 234,405)

#### Allowance Required

In view of the analysis which shows the only assets and security of this Company to be equity investments of questionable value, it would be prudent to set up a 100% allowance for bad debts.

\$ 426,000

## APPENDIX H

### Commodore Sales Acceptance Limited—(Continued)

#### Debtor—A. J. & E. GOLDBERG BROTHERS LIMITED Trading as FURNITURE SALES REGISTERED & SEVEN CROWN MOTEL

Balance Receivable at December 31, 1964—Furniture Sales Registered .....	\$ 291,916
Seven Crown Motel .....	111,234
Total amount receivable at December 31, 1964 .....	<u>\$ 403,150</u>

#### Latest Financial Report

Unqualified audit report and financial statement prepared by Wagman, Fruitman & Lando at June 30, 1964.

#### Major Assets

Accounts receivable (allowance \$426) .....	\$ 101,168
Inventory—at cost .....	213,164
Fixed assets (depreciation \$2,449) .....	130,902

#### Major Liabilities

Accounts payable .....	\$ 42,442
Loans payable—Commodore Sales Acceptance Limited .....	318,701
Mortgages payable—	
First Mortgage—R. D. Little & Son Limited .....	25,470
Second Mortgage—Commodore Sales Acceptance Limited .....	75,000
Equity (deficiency) .....	(\$ 14,386)
Book value of net tangible assets (deficiency) .....	(\$ 14,794)
Share capital investment (this appears to be the total ownership investment since there are no shareholder loans to the Company) .....	\$ 4

#### Allowance for Bad Debts

Although the financial statements did not reflect a *serious* insolvency, there were certain factors which cast doubt on the full collectibility of these loans. The valuation of assets was not conservative in that the allowance for bad debts was only .4% of accounts receivable, the inventory was stated at cost, rather than the lower of cost or market, and the newly constructed motel was only nominally depreciated. In addition, the original invested capital was \$4.00 while the deficit account was \$14,390. In other words, the creditors provided loans without the protection of any equity or subordinated "risk" capital.

In view of the foregoing, an allowance of about 20% would be warranted.

Allowance required, say .....	<u>\$ 80,000</u>
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## Commodore Sales Acceptance Limited—(Continued)

### Debtor—GENERAL LAWN SPRAY LIMITED

Balance Receivable at December 31, 1964.....	\$ 434,471
<b>Latest Financial Report</b>	
Rough draft financial statement—source of preparation unknown (Exhibit 247) December 31, 1964.	
<b>Major Assets</b>	
Current assets.....	\$ 59,718
Fixed assets (no depreciation booked).....	256,800
Deferred expenses.....	60,000
<b>Major Liabilities</b>	
Accounts payable—trade and equipment.....	\$ 49,200
Notes payable to Commodore Sales Acceptance Limited.....	421,257
Shareholders' advances.....	20,000
Equity (deficiency).....	(\$ 123,518)
Book value of net tangible assets (deficiency).....	(\$ 184,148)
<b>Discount Required—</b>	
Accounts receivable—missing accounts.....	\$ 9,050
Fixed assets—a 50% reduction would probably be required on liquidation, since no depreciation has been written.....	128,000
	\$ 137,050
Discounted net tangible assets (deficiency).....	(\$ 321,000)
<b>Security—</b>	
Commodore Sales Acceptance Limited advances are secured by \$400,000 floating charge debenture.	
Discounted tangible assets available to meet liabilities.....	\$ 179,517
Less: Preferred creditor—Income Tax Department.....	1,616
Amount available to meet Commodore's debenture.....	\$ 177,901
Allowance required for the balance of Commodore Sales Acceptance Limited's advances.....	\$ 256,000

### Debtor—MART UTILITIES LIMITED

Balance Receivable at December 31, 1964.....	\$ 422,251
<b>Latest Financial Report</b>	
Unaudited financial statement prepared by Walton, Wagman & Co. at July 31, 1963.	
<b>Major Assets</b>	
Advances to Bond & Cosman Limited (No bad debt allowance).....	\$ 527,160
<b>Major Liability</b>	
Loan payable to Commodore Sales Acceptance Limited.....	\$ 566,705
No confirmation of this account.	
Book value of net tangible assets (deficiency).....	(\$ 27,572)
<b>Discount Required—</b>	
re Bond & Cosman Limited advance (see schedule—Groship Companies—Combined Analysis). This Company has a net tangible asset deficit of (\$1,269,490) and a further \$237,137 was judged uncollectible by the auditors—Walton, Wagman & Co.	
In view of this situation the Bond & Cosman Limited receivable warrants a 100% allowance.....	\$ 527,160
Discounted net tangible assets (deficiency), Say.....	(\$ 544,000)
In view of an apparent severe insolvency, supported by auditor's findings and disclaimer on the accounts of the Company's major debtor, an allowance of 100% would be prudent. Say.....	
	\$ 422,000



## APPENDIX H

### Commodore Sales Acceptance Limited—(Continued)

#### Debtor—RACAN PHOTO-COPY CORPORATION LIMITED

Balance Receivable at December 31, 1964.....	\$ 240,854
<b>Latest Financial Report</b>	
Financial statements prepared by Grammer, Birnbaum & Co. at June 30, 1964 but audit opinion withheld.	
<b>Major Assets</b>	
Current assets.....	\$ 149,752
Fixed assets.....	210,849
Research and development costs.....	1,374,239
<b>Major Liabilities</b>	
Loans payable.....	\$ 858,424
Mortgages payable.....	185,375
Accounts payable.....	157,480
Equity.....	\$ 479,896
Current position (working capital deficiency).....	(\$ 1,079,607)
Deficiency in net tangible assets.....	(\$ 895,689)
Loss for the year ended June 30, 1964 per unaudited report.....	(\$ 475,760)
Tangible asset—deficiency as a percentage of total liabilities at June 30, 1964 was $\left(\frac{895,689}{\$1,305,297}\right)$ —69%	
In addition to the poor state of affairs shown by the financial statements of Racan Photo-Copy Corporation Limited, and the refusal of the auditors to report on the financial statements, there were also reports in the press referring to foreclosure and garnishee actions being taken by a mortgage holder and the Ontario Government. Further press reports re takeover bids and new product development were confusing and contradictory.	
The company's stock fell from an over-the-counter price of \$25.00 in 1963 to \$2.00 bid in 1964.	
If the auditors had enquired further, they would have learned that the major financing of Racan was being done by Premier Finance, another subsidiary of Atlantic Acceptance. Payments on this account were unsatisfactory and it seems evident that the opening of a Racan account with Commodore Sales Acceptance was not in the nature of a new financing, but rather, the continued financing of an unsatisfactory customer.	
In view of the foregoing, an allowance of at least the tangible asset deficiency would be warranted, or, say...	\$ 165,000

#### Debtor—TRANS CANADA MILLINERY SALES LIMITED

Balance Receivable at December 31, 1964.....	\$ 472,559
<b>Latest Financial Report</b>	
Trial balance at July 1, 1964 (source unknown) and financial statement prepared by Walton, Wagman & Co. at July 31, 1963 without audit.	
<b>Major Assets (July 1, 1964)</b>	
Furniture and fixtures.....	\$ 28,362
Leasehold improvements.....	51,768
Inventory.....	8,959
<b>Major Liabilities</b>	
Account payable to Bond & Cosman Limited.....	\$ 356,522
Due to C.S.A. per C.S.A. records	
December 31, 1963*.....	\$ 455,381
December 31, 1964*.....	472,559
*These loans are not reflected on the books or statements of Trans Canada Millinery Sales Limited—the loan was probably part of a spin-off before the July date of these statements.	
Book value of net tangible assets (deficiency).....	(\$ 260,413)
Most recent earnings (loss).....	(\$ 100,975)
This Company would appear to be completely insolvent with no hope of even paying costs of liquidation in order to realize any amount for the creditors. Accordingly, the required allowance is 100%. Say.....	
	\$ 472,000

## Commodore Sales Acceptance Limited—(Continued)

### Debtor—TRANS COMMERCIAL ACCEPTANCE LIMITED

Balance Receivable at December 31, 1964.....	\$ 286,875
--	------------

#### Latest Financial Report

Audited financial statement prepared by Wagman, Fruitman & Lando at December 31, 1964.

#### Major Assets

Notes receivable.....	\$ 452,246
Investments at cost—Commodore Business Machines (Canada) Limited.....	2,650,000

#### Liabilities

Loans and notes payable.....	\$ 2,977,642
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This account was not confirmed by the auditors in 1964.

Book value of net tangible assets.....	\$ 116,058
--	------------

Recent earnings.....	\$ 26,674
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#### Allowance Requirements

No allowance would apparently be needed per these statements. The value of the investments held by this Company depended inordinately on the fortunes of Commodore Business Machines (Canada) Limited. There is a high degree of risk in loaning on a short-term basis to an intermediary in order to provide half of a young company's financing. However, in the absence of any disturbing financial reports in respect of Commodore Business Machines (Canada) Limited the allowance should be.....

Nil

### Debtor—COMMODORE BUSINESS MACHINES (CANADA) LIMITED

Balance Receivable at December 31, 1964.....	\$ 359,170
--	------------

#### Latest Financial Report

Audited financial statements prepared by Rose and Harrison at June 30, 1964.

#### Major Assets

Cash and time deposits.....	\$ 634,070
Accounts receivable.....	1,594,174
Inventory.....	1,932,676
Investments in subsidiaries.....	2,096,960
Intangible assets.....	513,470
Fixed assets.....	253,026

#### Major Liabilities

Accounts payable.....	\$ 1,464,045
Loans and notes payable.....	439,562
Advances from Finance Companies.....	961,996
Long-term notes and debentures.....	2,608,923

Equity.....	\$ 1,545,344
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Book value of net tangible assets at June 30, 1964.....	\$ 1,031,875
---	--------------

Current position.....	\$ 1,204,807
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Most recent earnings.....	\$ 190,425
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Allowance required per these statements appears to be Nil—the financial position of this Company does not seem hazardous per the published financial statements.

Allowance required.....	Nil
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# APPENDIX H

## Commodore Sales Acceptance Limited—(Continued)

### Debtor—MASCO CONSTRUCTION COMPANY LIMITED

Balance Receivable at December 31, 1964..... \$ 810,298

#### Latest Financial Report

Prepared without audit by Wagman, Fruitman & Lando at July 31, 1964.

#### Major Assets

Notes receivable—Daylite of Grand Bahama Company Limited..... \$ 812,000  
Investments—17,500 Common—Molly Corporation of Canada Limited..... 208,750  
5,000 Common—Commodore Business Machines (Canada) Limited..... 22,500

#### Major Liabilities

Loan—re discount of notes with Commodore Sales Acceptance Limited..... \$ 811,500  
Loan—Daylite of Grand Bahama Company Limited..... 150,000  
C. P. Morgan..... 50,000  
Equity (deficiency)—net tangible assets..... (\$ 213)  
Share capital issued..... \$ 3

#### Discount Required

Notes receivable—Daylite of Grand Bahama—total loan of \$812,000 less \$150,000 offset, less unearned revenue of say \$30,000, leaves a net loan of \$632,000. The auditors of Aurora Leasing would have arrived at a 50% allowance for unsecured loans to Daylite. This was also appropriate regarding this receivable.

Discount required..... \$ 315,000

Investment—17,500 shares of Molly Corporation valued at a cost of \$10.00 to \$15.75 per share. The auditors of Dallas Holdings Ltd. would have accepted \$4.00 per share as a maximum realizable value.

Discount required..... \$ 138,750

\$ 453,750

Discounted net tangible assets (deficiency)..... (\$ 454,000)

#### Allowance for Bad Debts

In view of the questionable value of the assets of this Company and the absence of any equity to absorb losses, this loan would be viewed on a liquidation basis, as follows:

Notes receivable—net..... \$ 632,000  
Less: Discount..... 315,000

Available to meet Commodore Sales Acceptance Limited secured advance..... \$ 317,000

Commodore Sales Acceptance Limited loan—total..... \$ 810,298

Unsecured balance of Commodore Sales Acceptance Limited loan..... \$ 493,298

Loan—C. P. Morgan..... 50,000

Total Unsecured Creditors..... \$ 543,298

#### Assets available for unsecured claims

Cash..... \$ 5,297  
Investments..... 231,250

\$ 236,547

Less: Discount..... 138,750

\$ 97,797

Expected loss on unsecured claims \$445,501 or 82%.

Allowance required for Commodore's loan—about 82% of the \$493,298 unsecured portion, or say..... \$ 400,000



## Commodore Sales Acceptance Limited—(Continued)

### Debtor—ANGLO DISCOUNT SALES LIMITED

Balance Receivable at December 31, 1964..... \$ 112,139

#### Latest Financial Report

No financial statements available. A trial balance as at July 31, 1964 was obtained from the files of the Commission. Walton, Wagman & Co. were appointed auditors in June, 1964.

#### Major Assets

Account receivable—Mart Utilities Limited..... \$ 97,186

#### Major Liabilities

Commodore Sales Acceptance Limited..... \$ 106,386

Highlight Distributors Limited..... 7,998

Net tangible assets (deficiency)..... (4,793)

#### Discounted net tangible assets

Deficiency as above..... (4,792)

Add 100% allowance on receivable from Mart Utilities Limited..... 97,186

(\$ 101,978)

#### Security Taken

There appears to be a floating charge debenture and a guarantee by Gerald Groship. We could not find any evidence to show that either of these had value.

#### Allowance Requirements

Since Mart Utilities Limited appears to be hopelessly insolvent, and this Company merely a shell for loans to Mart Utilities Limited, a 100% allowance is required. Say..... \$ 112,000

### Debtor—D. R. ANNETT

Balance Receivable at December 31, 1964..... \$ 55,945

#### Latest Financial Report

No financial reports available.

#### Allowance for Bad Debts

Mr. Annett was a Partner in Annett & Company and apparently possessed assets well in excess of his liabilities. This loan would appear fully collectible.

Allowance required..... Nil

## APPENDIX H

### Commodore Sales Acceptance Limited—(Continued)

#### Debtor—CALCUTTA HOLDINGS LIMITED

Balance Receivable at December 31, 1964.....	\$ 93,000
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#### Latest Financial Report

Rough draft financial statement prepared by the Company's accountant, James Stone, C.A. at December 31, 1964.

#### Major Assets

Due from J. T. Frame.....	\$ 47,064
Accounts receivable (fully reserved \$58,279) .....	—

#### Major Liabilities

Bank.....	\$ 35,656
Accounts payable.....	16,019
Notes payable—Commodore Sales Acceptance Limited.....	93,000

Book value of net tangible assets (deficiency).....	(\$ 107,838)
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#### Security given for this loan—

45,000 common shares of Kopan Developments Limited at market (January 1965—13.5¢ per share)....	6,075
110,000 common shares of Dominion Leaseholds Limited. The book value of these shares at October 31, 1964 year-end was 3¢ per share (although other companies audited by Wagman showed these shares at a cost of 18¢ per share, the market was below this at the end of 1964 and was regarded as a thin and closely controlled market. A valuation of 3¢ per share was appropriate).....	3,300

	\$ 9,375
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Unsecured portion of loan.....	\$ 83,675
--------------------------------	-----------

#### Allowance for Bad Debts

This account was delinquent as to principal and interest since 1963. The statement produced subsequent to the death of J. Frame (Calcutta Holdings Limited's President) shows the complete insolvency of the Company at December 31, 1964.

The assets available (excluding the securities shown here) would be liquidated in meeting a first claim of the Bank under its loan. Thus the unsecured portion of the Commodore Sales Acceptance Limited loan would be virtually valueless.

The allowance required was, say .....	\$ 80,000
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## Commodore Sales Acceptance Limited—(Continued)

### Debtor—CANADA MOTOR PRODUCTS (TORONTO) LIMITED (Later Gassem Enterprises Limited)

Balance Receivable at December 31, 1964—	
Loan receivable—Gassem Enterprises Limited .....	\$ 145,000
Note receivable—Canada Motor Products Limited (in bankruptcy) .....	42,239
	<u>187,239</u>
Total amount receivable at December 31, 1964 .....	\$ <u>187,239</u>

#### Latest Financial Report

Unaudited financial statements prepared by Wagman, Fruitman & Lando at March 31, 1965 (last audited report prepared by Walton, Wagman & Co. at March 31, 1963).

#### Major Assets

Accounts receivable—Dallas Holdings Limited .....	\$ 39,105
Investment—Canada Motor Products (Blackstone) Limited .....	80,000

#### Major Liabilities

Notes payable—Commodore Sales Acceptance Limited .....	\$ 135,000
Valley Farm & Enterprises Limited .....	60,000
Directors' Loans .....	22,500

Book value of net tangible assets .....	(\$ 96,969)
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#### Discount required—

Investment in Canada Motor Products (Blackstone) Limited—this Company has net tangible assets of only \$27,000, suffered a loss of \$70,000 in 1963 and ceased operations in 1964. Walton, Wagman & Co. were the auditors and W. Walton was a director of the Company. This investment should be fully written-off .....	(\$ 80,000)
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Discounted net tangible assets .....	(\$ 176,969)
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#### Allowance Required

In view of the serious insolvency of Gassem Enterprises and the complete uncollectibility of the note receivable from the bankrupt Canada Motor Products Limited, this account should be allowed for as follows:

Secured by \$200,000 debenture—recoverable amount .....	\$ 39,105
The balance of the loan is totally unrecoverable .....	\$ <u>148,000</u>

### Debtor—CANADIAN DYNAMICS LTD.

Balance Receivable at December 31, 1964 .....	\$ 3,100
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#### Latest Financial Report

No financial report available.

#### Allowance for Bad Debts

There were no payments of either interest or principal on this account since 1963. This continued in early 1965. In view of the lack of any payments, a full allowance seems necessary.

Allowance required, say .....	\$ <u>3,000</u>
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## APPENDIX H

### Commodore Sales Acceptance Limited—(Continued)

#### Debtor—BOND & COSMAN LIMITED

Balance Receivable at December 31, 1964. .... \$ 64,719

#### Latest Financial Report

Financial statements prepared by Walton, Wagman & Co. without audit at July 31, 1963. Trial balance at July 31, 1964.

#### Major Assets

Accounts receivable—	
Trans Canada Millinery Sales Ltd. ....	\$ 366,177
(report not collectible per auditors report of 1963)	
Furniture and fixtures. ....	106,078
(no depreciation provided for)	
Development costs. ....	197,645

#### Major Liabilities

Accounts payable—	
Mart Utilities Limited. ....	\$ 518,876
Province-Wide Stores Limited. ....	58,304
Jumbo Discount Sales Limited. ....	95,468
Celtic Discount Stores Limited. ....	94,988
Accounts payable—	
General. ....	110,072
Notes payable—	
Commodore Sales Acceptance Limited. .... (1)	738,771
Aurora Leasing Corporation Limited. .... (2)	118,500
(1) Does not agree—Commodore loans probably a spin-off to other Groship Companies such as Jumbo Discount Sales Ltd., Celtic Discount Stores Ltd., Province-Wide Stores, etc. See Combined Analysis attached.	
(2) Not shown on Aurora Leasing Corporation's books at December 31, 1964.	
Book value of net tangible assets (deficiency) ....	(\$ 1,267,579)

#### Discount Required

Accounts receivable—	
Trans Canada Millinery Sales discount by 100% per Audit report finding. ....	\$ 366,000
Furniture and fixtures—since no depreciation is written, a 50% discount is in order..	53,000
Discounted net tangible assets (deficiency) ....	(\$ 1,686,579)
Allowance required—100% write-off on this and all other related companies involved in spin-off of Commodore Sales Acceptance Limited debts. Say. ....	\$ 65,000



## GROSHIP COMPANIES—COMBINED ANALYSIS

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## Commodore Sales Acceptance Limited—(Continued)

## ESTIMATED COMBINED POSITION OF THESE COMPANIES AT JULY 31, 1964

Company	LIABILITIES			ASSETS				NET TANGIBLE ASSETS (Deficiency)
	Liabilities to C.S.A.	Other Liabilities	Inter-Group Loans	Inter-Group Receivables	Inventory	Other Tangible Amounts	Other Receivables	
Mart Utilities Limited.....	\$ 361,000*		\$ 99,763 Saxon 97,185 Anglo	\$ 518,876	\$12,000*	\$ 800*		\$ (26,272)*
Trans Canada Millinery Sales Limited.....		\$ 4,562*	366,177 B. & C.	5,598	9,000*	84,000*		(272,141)*
Anglo Discount Sales Limited.....	106,387		7,998 Highlight	97,185	11,510	897		(4,793)
Bond & Cosman Limited.....	738,771	118,500 Aurora 141,501	518,876 Mart Util. 58,304 Prov. Wide 95,468 Jumbo 94,988 Celtic 5,598 T.C.M. 4,861 Highlight 12,411 Highlight	366,177		143,111		(1,267,579)
Province-Wide Stores Limited.....	162,414			400	58,417	1,467		(56,237)
Saxon Discount Stores Limited.....	126,275		400 Prov. Wide	58,304	6,356	283		(19,838)
Jumbo Discount Sales Limited.....	95,468*			435				
Celtic Discount Stores Limited.....	94,988*			95,468				
Highlight Distributors Limited.....	24,835*			94,988				
			435 Saxon	7,998				
				4,861				
				12,411				
	\$1,710,138	\$264,563	\$1,302,464	\$1,362,464	\$97,283	\$230,558		(\$1,646,860)

This "consolidation" illustrates the Groshup group of companies had liabilities at July 31, 1964 of approximately \$1,975,000 (of which \$1,828,000 were owed to Commodore Sales Acceptance Limited and Aurora Leasing Corporation Limited) while tangible assets amounted to only \$328,000.

\* Estimated

## Commodore Sales Acceptance Limited—(Continued)

### Debtor—CANADIAN NEVIL ENTERPRISES LIMITED

Balance Receivable at December 31, 1964. . . . . \$ 5,374

#### Latest Financial Report

Financial statement in liquidation as prepared by M. Hahn & Co. at September 30, 1964.

#### Major Assets

Accounts receivable and advances. . . . . \$ 12,627

#### Liabilities

Due to Nevil Enterprises Inc. . . . . \$ 41,989  
Due to others. . . . . 24,283

Equity (deficiency). . . . . (\$ 52,751)

#### Comments

The deficiency represents 81% of liabilities, all of which appear to be unsecured and ranking equally.

An allowance for bad debts on the books of Commodore Sales Acceptance Limited is warranted in the amount of at least 80% or, say. . . . . \$ 4,300

### Debtor—CELTIC DISCOUNT STORES LIMITED

Balance Receivable at December 31, 1964. . . . . \$ 143,806

#### Latest Financial Report

No financial statements available—Walton, Wagman & Co. were appointed auditors in June, 1964.

This appears to be a Bond & Cosman Limited spin-off of Commodore Sales Acceptance loans.

Security (of questionable value) is a floating charge debenture of the Company and a guarantee by Gerald Groship.

As previously stated, the possibility of any recovery from the Groship Companies seems negligible—refer to Analysis of Bond & Cosman Limited. Accordingly, a 100% allowance for doubtful debts is in order.

Allowance required. . . . . \$ 144,000

### Debtor—CHATSWORTH ENTERPRISES LIMITED

Balance Receivable at December 31, 1964. . . . . \$ 26,337

#### Latest Financial Report

Financial statements prepared without audit by Walton, Wagman & Co. at July 31, 1961.

#### Major Assets

Operation Development costs. . . . . \$ 10,828  
Fixed assets. . . . . 26,089

#### Major Liabilities

Accounts payable. . . . . \$ 14,976  
Shareholders' loan payable. . . . . 36,600

Equity. . . . . (\$ 13,410)

Net tangible assets (deficiency). . . . . (\$ 26,003)

The tax file of Walton, Wagman & Co. (Exhibit 1060) shows a balance sheet for Chatsworth Enterprises Limited with only \$3.00 as assets and \$3.00 in equity as at December 31, 1963. There is no explanation for the inconsistency with the 1961 reports.

The Wagman firm would have known at December 31, 1964 that Chatsworth Enterprises Limited was included in the Groship Group of Companies. A 100% allowance should therefore have been provided. Say. . . . . \$ 26,000

## APPENDIX H

### Commodore Sales Acceptance Limited—(Continued)

#### Debtor—WILLIAM C. DYMOND

Balance Receivable at December 31, 1964.....	\$ 61,787
<b>Latest Financial Report</b>	
No financial statements available—see Solicitor's foreclosure report of D. M. Samuel.	
<b>Major Asset</b>	
Property—Rexdale Boulevard.....	\$ 85,000
<b>Major Liabilities</b>	
First mortgage—North American Life Assurance.....	\$ 38,644
Second mortgage—Commodore Sales Acceptance Limited.....	61,769
Net tangible assets (deficiency).....	(\$ 15,413)
<b>Allowance for Bad Debts</b>	
Final mortgage foreclosure took place on November 18, 1964. Commodore Sales Acceptance Limited received title to this property and is attempting to sell it.	
Recent appraised value of property (W. H. Bosley & Co.).....	\$ 85,000
Less: Due on first mortgage.....	38,600
Net realizable value.....	\$ 46,400
Less: Owing to Commodore Sales Acceptance Limited at Dec. 31, 1964.....	\$ 61,800
Allowance required, say.....	\$ 15,000

#### Debtor—J. FRAME AND J. BREWSTER

Balance Receivable at December 31, 1964.....	\$ 34,222
<b>Latest Financial Report</b>	
Latest audited financial report of John Frame & Co. by Eddis & Associates at March 31, 1964.	
<b>Major Assets</b>	
Clients' accounts.....	\$ 953,444
Brokers' accounts.....	152,684
Stock Exchange seats—at cost.....	93,780
<b>Major Liabilities</b>	
Call loans.....	\$ 675,000
Balance due on clients' and brokers' accounts.....	314,466
Subordinated loans.....	42,720
Book value of net tangible assets (including Exchange seats).....	\$ 42,720
Latest earnings (loss).....	(\$ 29,706)
Current position.....	\$ 106,753
Security given for the loan—	
96,000 common shares of Kopan Developments Limited at market value (January 1965 13.5¢ per share)....	\$ 12,960
43,000 common shares of Dominion Leaseholds Limited. The book value of these shares at October 3, 1964 was 3¢ per share. (Although other companies audited by Wagman showed these shares at a cost of 18¢ per share, the market was below this at the end of 1964 and was regarded as a thin and closely controlled market. A valuation of 3¢ per share was appropriate).....	1,290
	\$ 14,250
Unsecured portion of loan.....	\$ 20,000
<b>Allowance for Bad Debts</b>	
While the latest statements of John Frame & Co. showed equity just above that needed to liquidate Commodore Sales Acceptance Limited loans, other factors known to the auditors needed consideration, i.e. the suspension of John Frame & Co. from the Toronto Stock Exchange in 1964; the guarantee of bank loans of Calcutta Holdings Limited by John Frame; the existence of other debts substantially in excess of assets.	
In view of the foregoing an allowance of say 50% of the unsecured loan would be reasonable.....	\$ 10,000



## Commodore Sales Acceptance Limited—(Continued)

### Debtor—PEARLSOUND DISTRIBUTORS LIMITED

Balance receivable at December 31, 1964 . . . . .	\$135,417
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#### Latest Financial Report

Audited financial statements prepared by Wagman, Fruitman & Lando at June 30, 1964.

#### Major Assets

Accounts and notes receivable . . . . .	\$149,400
Inventory . . . . .	27,800
Intangibles . . . . .	10,585

#### Major Liabilities

Accounts payable . . . . .	\$ 38,120
Wages payable . . . . .	30,000
Due to finance company . . . . .	110,362
Notes payable . . . . .	28,684

Book value of net tangible assets (deficiency) . . . . .	(\$ 25,678)
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Current position (working capital deficit) . . . . .	(\$ 16,000)
--	-------------

Most recent earnings results (loss) . . . . .	(\$ 17,463)
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Based on the continued losses and the apparent insolvency of this Company, and the fact that it is completely financed by Commodore Sales, an allowance of 50% on this account would be warranted—if liquidation ensued, it is quite possible that losses would well exceed this allowance.

Allowance required . . . . .	\$ 65,000
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### Debtor—GOLBURN DISCOUNT SALES LIMITED

Balance receivable at December 31, 1964 . . . . .	\$ 159,132
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#### Latest Financial Report

No financial statements available—Walton, Wagman & Co. were appointed auditors in June 1964.

Another Bond & Cosman spin-off Company.

The security consists of a floating charge debenture and a guarantee by Gerald Groship. See analysis of Bond & Cosman Limited for details behind 100% allowance required.

Required allowance . . . . .	\$ 159,000
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## APPENDIX H

### Commodore Sales Acceptance Limited—(Continued)

#### Debtor—HILLTOP HOLDINGS LIMITED

Balance receivable at December 31, 1964 . . . . . \$ 100,100

##### Latest Financial Report

Unaudited financial statements—prepared by Wagman, Fruitman & Lando at December 31, 1964 . . .

##### Major Assets

3rd. Mortgage receivable—E. Last (President of Dalite) . . . . . \$ 100,000

Property at 300 Dwight Avenue, Toronto

There does not seem to have been any payment on this mortgage during the last three years.

Mortgage receivable—Valley Farm . . . . . \$ 42,546

##### Major Liabilities

Loans payable . . . . . \$ 46,311

Mortgage payable—apparently on assignment of the 3rd. mortgage receivable . . . . . \$ 100,000

Book value of net tangible assets . . . . . \$ 4,833

##### Allowances for Bad Debts

The realizability of this loan is contingent upon the value of the property mortgaged—there appears to be some inability to pay on this mortgage and the security of a third mortgage also gives cause for concern. These funds were re-advanced to E. Last who advanced the funds to Dalite Corporation. Recovery of the advance to Dalite is improbable.

In the absence of an appraisal of the Dwight Avenue property, we cannot set an allowance for this account.

Allowance . . . . . Nil

#### Debtor—JUMBO DISCOUNT SALES LIMITED

Balance receivable at December 31, 1964 . . . . . \$ 171,914

##### Latest Financial Report

No financial statement available—Walton, Wagman & Co. were appointed auditors in June, 1964.

##### Background Information

Another Bond & Cosman spin-off Company.

In view of the position of the Groship Companies group as illustrated in analysis of Bond & Cosman Limited, full allowance is required against this account.

Allowance required, say . . . . . \$ 172,000

#### Debtor—KELTON ULTRASONICS LIMITED

Balance receivable at December 31, 1964 . . . . . \$ 31,501

##### Latest Financial Report

No financial statements available.

As with other companies, the Wagman firm would have known that Kelton Ultrasonics Limited was included in the Groship Group of Companies. A 100% allowance should therefore have been provided. Say . . .

\$ 31,000

## Commodore Sales Acceptance Limited—(Continued)

### Debtor—J. W. KENTISH JR.

Balance receivable at December 31, 1964. . . . . \$ 15,000

#### Latest Financial Report

Rough net worth statement available at July 1962  
 Net worth. . . . . \$ 111,700

This account is paying interest regularly.

It is secured by 150,000 shares of Dumont Nickel which appear to exceed the value of the loan. No allowance is required. . . . . Nil

### Debtor—PRESTON LAKE DISCOUNT STORES LIMITED

Balance receivable at December 31, 1964. . . . . \$ 191,090

#### Latest Financial Report

No financial statements available.

Security for this loan was a debenture which somehow was not prepared until February, 1965 even although a loan of \$191,089 was owing to Commodore Sales Acceptance at December 31, 1964.

This appears to be another Bond & Cosman spin-off which will require a full allowance per the Groship Group Analysis—See Bond & Cosman Limited.

Required allowance. . . . . \$ 191,000

### Debtor—PROVINCE-WIDE STORES LIMITED

Balance receivable at December 31, 1964. . . . . \$ 164,890

#### Latest Financial Report

Trial balance prepared at July 31, 1964—Walton, Wagman & Co. were appointed auditors in June, 1964.

#### Major Assets

Account receivable—Bond & Cosman. . . . . \$ 58,304  
 Inventory. . . . . 58,417

#### Major Liabilities

Accounts payable—to Commodore Sales Acceptance. . . . . \$ 162,413

Book value of net tangible assets (deficiency) (There appears to be no equity investment at all). . . . . (\$ 56,237)

Most recent earnings (loss). . . . . (\$ 56,237)

#### Discounted Required

Bond & Cosman—not collectible. . . . . \$ 50,000  
 Inventory—say 70% realizable. . . . . 18,000

Discounted net tangible assets (deficiency). . . . . (\$ 132,000)

Allowance required based on probable complete bankruptcy of the associated Groship Companies as per analysis—See Bond & Cosman Limited.

Costs of liquidation will most certainly wipe out any apparent available assets. Say. . . . . \$ 165,000

## APPENDIX H

### Commodore Sales Acceptance Limited—(Continued)

#### Debtor—SAXON DISCOUNT STORES LIMITED

Balance Receivable at December 31, 1964 .....	\$ 136,809
<b>Latest Financial Report</b>	
Rough trial balance prepared at July 31, 1964—Walton, Wagman & Co. were appointed auditors in June, 1964.	
<b>Major Assets</b>	
Accounts receivable—Mart Utilities Ltd.....	\$ 99,762
Inventory.....	6,356
<b>Major Liability</b>	
Commodore Sales Acceptance.....	\$ 126,274
This Company is another spin-off of the Bond & Cosman loan within the Groship Group of companies.	
Book value of net tangible assets (deficiency).....	(\$ 19,838)
<b>Discount Required</b>	
Insolvency of Mart Utilities will probably eliminate entire account receivable—100%.....	\$ 99,762
Discounted net tangible assets (deficiency).....	(\$ 119,600)
Allowance required—100% of debt to Commodore Sales Acceptance per analysis—See Bond & Cosman Limited. Say .....	\$ 137,000

#### Debtor—SOLOMON AND SINGER (IN TRUST)

Balance Receivable at December 31, 1964 .....	\$ 25,000
<b>Latest Financial Report</b>	
Details of the nature of this advance were not available.	
<b>Allowance for Bad Debts</b>	
No payments were received on this account, nor was interest accrued or received since its inception in 1963. The identity of the debtor was apparently not known to the auditors.	
In view of the lack of payments and the lack of information regarding this account, a full allowance would be necessary.	
Allowance required.....	\$ 25,000

#### Debtor—SPADINA DISCOUNT STORES LIMITED

Balance Receivable at December 31, 1964 .....	\$ 161,574
<b>Latest Financial Report</b>	
No financial statements available.	
<b>Background Information</b>	
This Company is another Bond & Cosman spin-off.	
The floating charge debenture was not prepared until February, 1965 as security for a loan which was outstanding in 1964.	
Based on analysis of the Groship Companies (See Bond & Cosman Limited) a 100% allowance will be required against this account.	
Allowance required, say.....	\$ 161,000



## Commodore Sales Acceptance Limited—(Continued)

### Debtor—TORONTO PLAYFAIR LTD.

Balance Receivable at December 31, 1964 ..... \$ 15,330

#### Latest Financial Report

No financial statements available.

#### Allowance for Bad Debts

This account was opened in 1964 and there appeared to be no reason to doubt its collectibility.

Allowance required..... Nil

### Debtor—HIGHLIGHT DISTRIBUTORS LIMITED

Balance Receivable at December 31, 1964 ..... \$ 23,116

#### Latest Financial Report

No financial statements available.

#### Background Information

This Company is another of the Groship Group and is covered by the analysis of Bond & Cosman Limited.

The security consists of a floating charge debenture in the amount of \$250,000; the debenture was not executed until April 30, 1965.

100% allowance required, say ..... \$ 23,000

### Debtor—L. F. WINCHELL

Balance Receivable at December 31, 1964 ..... \$ 3,009

#### Latest Financial Report

No financial reports available.

#### Allowance for Bad Debts

This account was paying regularly and there is no reason to doubt its collectibility.

Allowance required..... Nil

### Debtor—NATIONAL CORDAGE CO.

Balance Receivable at December 31, 1964 ..... \$ 51,204

#### Latest Financial Report

Interim report available at May 31, 1963.

Last audited report prepared by Ben Gotlib, C.A. at October 31, 1962.

#### Major Assets (May 31, 1963)

Accounts receivable..... \$ 131,183

Inventory and goods in transit..... 143,400

#### Major Liabilities

Accounts payable..... \$ 225,619

Net tangible assets—October 31, 1962..... \$ 34,180

Latest profit—seven months to May 31, 1963..... \$ 23,988

#### Allowance for Bad Debts

In view of the acceptable financial condition of this Company, no allowance was required.

Allowance required..... Nil

## APPENDIX H

### Commodore Sales Acceptance Limited—(Continued)

#### Debtor—TROPICAL HOLIDAY CLUB

Balance Receivable at December 31, 1964 .....	\$ 13,000
<b>Latest Financial Report</b>	
No financial data available.	
This was a new account in 1964. In view of the lack of information it would have been impossible to assess the collectibility of this account.	
Allowance required .....	Nil

#### Debtor—VALLEY FARM AND ENTERPRISES LIMITED

Balance Receivable at December 31, 1964 .....	\$ 124,179
<b>Latest Financial Report (June 30, 1964)</b>	
Interim financial statements prepared by Wagman, Fruitman & Lando at April 30, 1965. Last unaudited annual report—prepared by Wagman, Fruitman & Lando at June 30, 1964.	
<b>Major Assets (June 30, 1964)</b>	
Notes and loans receivable .....	\$ 826,617
Fixed assets—land .....	433,365
—other .....	119,126
<b>Major Liabilities (June 30, 1964)</b>	
Notes payable .....	\$ 1,183,500
Mortgages payable—Hilltop Holdings .....	42,546
—Commodore Sales Acceptance .....	129,332
Book value of net tangible assets (deficiency) .....	(\$ 163,100)
Current position (working capital deficiency) .....	(\$ 586,257)
Most recent earnings (loss) .....	(\$ 136,292)
<b>Discount—</b>	
Loans receivable	
Canada Motor Products (Toronto) Limited (no distribution to unsecured creditors) .....	\$ 60,000
Canada Motor Products (Blackstone) Limited (bankrupt—no assets available) .....	25,000
Associated Canadian Holdings Limited . . (45% allowance estimated for unsecured loans, or say) .....	155,000
Dallas Holdings Limited (57% allowance estimated for unsecured loans, or say) .....	100,000
Cimcony of Canada Limited (20% allowance estimated for unsecured loans, or say) .....	20,000
Real Estate deposits—due from George Blacklock (insufficient personal assets to pay—allow say 50%) .....	45,000
	\$ 405,000
<b>Fixed assets</b>	
Farming operations ceased in 1964—a 1962 appraisal of property value showed an \$82,700 value.	
It would be appropriate to discount the fixed asset by say 50%, or .....	275,000
	\$ 680,000
Discounted net tangible assets at June 30, 1964 (deficiency) .....	(\$ 843,100)
<b>Allowance for Bad Debts</b>	
In view of the mortgage security held by Commodore Sales Acceptance, no allowance would be required since the value of the property would more than cover this debt, even if a substantial loss on liquidation was experienced.	
Allowance required .....	Nil

## **Commodore Sales Acceptance Limited—(Continued)**

### **Debtor—CORPORATE PLAN LEASING LIMITED**

Balance Receivable at December 31, 1964..... \$ 21,000

#### **Latest Financial Report**

No financial statements available.

This loan is secured by direct assignment of five mortgages which are paying regularly.

#### **Allowance for Bad Debts**

Allowance required..... Nil

### **Debtor—HALVAN EQUIPMENT LEASING**

Balance Receivable at December 31, 1964..... \$ 2,413

#### **Latest Financial Report**

No financial statement available.

#### **Allowance for Bad Debts**

This account was paying interest and principal regularly and there seemed to be no doubt regarding its collectibility.

Allowance required..... Nil

### **Debtor—MACARDAN INVESTMENTS LIMITED**

Balance Receivable at December 31, 1964..... \$ 24,660

#### **Latest Financial Report**

No financial statements available.

#### **Allowance for Bad Debts**

This account originated in 1961 and was kept in a current position throughout.

At December 31, 1964 it was secured by nine mortgages which appeared to be well reduced by payments against the original loans.

Allowance required..... Nil

## APPENDIX H

### COMMODORE FACTORS LIMITED

#### Analysis of Accounts Receivable and Bad Debt Allowance Requirements as at December 31, 1964 (in U.S. Funds)

<i>Debtor</i>	<i>Net Amount Owing (Less Reserves)</i>	<i>Debtor's Financial Position</i>		<i>Required Allowance For Bad Debts</i>
		<i>Book Value of Net Tangible Assets</i>	<i>Discounted Net Assets</i>	
Baronet Associates, Inc.....	\$1,119,142	\$ 19,623	(\$ 880,000)	\$ 615,000
Commodore Business Machines (Canada) Limited.....	(435,000)			—
General Spray Service, Inc.....	1,304,790	(241,385)	(924,000)	800,000
Sprayfoil Corporation.....	205,042	(358,423)	(395,000)	55,000
Turf Kings, Inc.....	224,070	(118,777)	(170,000)	170,000
Hancock Telecontrol Corporation.....	246,833			30,000
Manhattan Sound Corporation.....	732,927	(150,276)	(480,000)	308,000
Manhattan West Sound, Inc.....	170,381	(1,661)		—
Motion Picture Security Corporation.....	271,571	2,965	(142,000)	142,000
Nevil Enterprises, Inc.....	879,280	(605,268)		450,000
The Symphony Paint Company.....	1,322,970	(848,645)	(1,054,000)	900,000
Tools and Molds, Inc.....	435,075	(37,476)	(211,476)	265,000
New Merrit Enterprises, Inc.....	46,696	(330,557)		46,000
Modern Hospital Equipment Designs Limited.....	25,503			25,000
Cook-Eden Farms Inc.....	1			—
S. Pelson and M. Weintraub.....	2			—
	<u>\$6,549,283</u>			<u>\$3,806,000</u>
Canadian dollar equivalent.....	<u>\$7,031,381</u>			<u>\$4,110,000</u>

### COMMODORE FACTORS LIMITED

#### List of Auditors and/or Accountants of Debtor Companies as at December 31, 1964

<i>Debtor</i>	<i>Auditors or Accountants (As per most recent financial statements or as authorized by the records of the debtor company)</i>	<i>Most recent Financial Statement</i>		
		<i>Audited</i>	<i>Qualified or opinion withheld</i>	<i>Unaudited</i>
Baronet Associates, Inc.....	Walton, Wagman & Co. and/or successor firm			*
Commodore Business Machines (Canada) Limited..	Rose and Harrison		*	
General Spray Service, Inc.....	A. Jesse Goldstein & Co.			*
Sprayfoil Corporation.....	Walton, Wagman & Co. and/or successor firm			*
Turf Kings, Inc.....	A. Jesse Goldstein & Co.			*
Hancock Telecontrol Corporation.....	Not known			
Manhattan Sound Corporation.....	Joseph D. Blau & Co.			*
Manhattan West Sound, Inc.....	Not known			*
Motion Picture Security Corporation.....	Not known			*
Nevil Enterprises, Inc.....	Not known			*
The Symphony Paint Company.....	Horwath, Horwath, G.C. Smith & Co.	*		
Tools and Molds, Inc.....	Not known.			*
New Merrit Enterprises Inc.....	Not known			*
Modern Hospital Equipment Designs.....	Not known			
Cook-Eden Farms, Inc.....	Not known			
S. Pelson and M. Weintraub.....	Not known			



# COMMODORE FACTORS LIMITED

## Debtor—BARONET ASSOCIATES, INC.

Balance Receivable at December 31, 1964 ..... \$ 1,119,142

### Latest Financial Report

Interim unaudited financial statements prepared by Wagman, Fruitman & Lando at December 31, 1964.

### Major Assets

Notes receivable—Analogue Controls Inc.....	\$ 280,119
A.C.E. Business Machines.....	426,564
Jay-Man Distributors.....	914,089
S. J. Gould.....	11,792
Interest receivable.....	20,331

### Major Liabilities

Commodore Factors Limited (Note 1).....	\$ 1,023,277
Commodore Business Machines.....	596,707
Shareholders' equity (Note 2).....	\$ 20,748
Net tangible assets.....	\$ 19,623

### Notes

1. An unexplained discrepancy of approximately \$96,000 existed in accounting for the loan payable to Commodore Factors.
2. This Company commenced operations with no invested capital.  
This Company was incorporated to assume loans made by Commodore Factors to companies connected with Commodore Business Machines. This led to Commodore Factors' reduction of the interest rate by 3½% with no apparent reason, since the lack of equity could not enhance the security to Commodore Factors.

### Discount Required

A.C.E. Business Machines—no financial information available—this account was outstanding since 1963 without payment of interest or principal and without any visible security. In view of this, an allowance of say 50% was warranted, or ..... \$ 215,000

Jay-Man Distributors—at April 30, 1964 the financial statements reflected a \$101,967 deficit with no paid-in capital. At April 30, 1965 this had increased to a \$934,967 deficit. At this point the book value of assets were only 25% of liabilities. In view of this, an allowance of say 75% was warranted, or..... \$ 685,000

\$ 900,000

Discounted net tangible assets (deficiency) ..... (\$ 880,000)

### Allowance for Bad Debts

In view of the unusual nature of this account, which was opened to take over other accounts (some of a doubtful nature) without any additional security, it was prudent to regard this loan on a liquidation basis. Looking to the very questionable value of assets which, at discounted values, approximate 45% of liabilities, it would be prudent to allow 55% of the loan to Baronet.

Allowance required, say..... \$ 615,000

## APPENDIX H

### Commodore Factors Limited—(Continued)

#### Debtor—GENERAL SPRAY SERVICE, INC.

Balance Receivable at December 31, 1964 (including dealers' truck lease-purchase financing) ..... \$ 1,304,790

#### Latest Financial Report

Trial balance from the office of A. Jesse Goldstein & Co. at December 31, 1964 (Exhibit 2327).

This Company was administered under a March 20, 1964 "plan of arrangement" as provided for under Chapter XI of the U.S. Bankruptcy Act.

#### Major Assets

Cash .....	\$ 9,799
Inventory .....	161,010
Investment in and advances to Sprayfoil Corporation .....	226,651

#### Total Liabilities

Secured notes payable—Banks .....	\$ 14,428
Notes payable—Commodore Factors (* Note) .....	497,950
Debenture bonds .....	102,457
General liabilities .....	23,593
Due to Turf Kings, Inc. ....	27,332
Shareholders' equity (deficiency) after taking up surplus on reorganization under the Bankruptcy Act .....	(\$ 241,385)
Book value of net tangible assets (deficiency) .....	(\$ 241,385)

\*NOTE: Commodore Factors records indicate a direct loan at December 31, 1964 of \$765,598 plus dealers' loans re truck purchases guaranteed by General Spray in the amount of approximately \$545,000.

#### Security Taken for the Loans

Assignment of truck lease-purchase agreements, assignment of accounts receivable, inventory, chattel mortgages on trucks.

#### Discount Required

Inventory—20%, or say .....	\$ 30,000
Investment in and advances to Sprayfoil Corporation—insolvent—100% or say .....	225,000
Truck lease-purchase agreements with dealers—30% or say .....	160,000
Discrepancy in loan payable to Commodore Factors—shown as a payable on Sprayfoil books—100% uncollectible .....	268,000
	\$ 683,000

Discounted net tangible assets (deficiency) ..... (\$ 924,000)

#### Allowance for Bad Debts

In view of the continued insolvency of this Company and its subsidiaries (both before and after the creditors' arrangements) the following allowance calculation was warranted:

Commodore Factors loan .....	\$ 1,304,790
Less: Security estimated to be realized on:	
Truck lease-purchase agreements—70% realizable .....	\$ 385,000
Inventory—80% realizable .....	131,000
	\$ 516,000
Deduct—security for bank loans (net of cash in hand) .....	4,600
	\$ 511,400
Unsecured portion .....	\$ 793,390

Assets available to Commodore Factors would be negligible after the completion of a 25% distribution to other unsecured creditors under the creditors' arrangement.

Allowance required, say .....	\$ 800,000
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## Commodore Factors Limited—(Continued)

### Debtor—SPRAYFOIL CORPORATION

Balance Receivable at December 31, 1964..... \$ 205,042

#### Latest Financial Report

Trial balance from the offices of Wagman, Fruitman & Lando at December 31, 1964.

#### Major Assets

Inventory.....	\$ 187,078
Deferred research and development.....	16,526
Special purpose tooling.....	15,041

#### Major Liabilities

Accounts payable.....	\$ 23,362
Notes payable—Commodore Factors Limited (*Note).....	439,282
Notes payable—General Spray Service, Inc.....	118,578
Shareholders' equity (deficiency).....	(\$ 326,856)
Recent earnings (loss for year).....	(\$ 65,326)
Net tangible assets (deficiency).....	(\$ 358,423)
Discount required—20% on liquidation of inventory, or say.....	\$ 37,000
Discounted net tangible assets (deficiency).....	(\$ 395,000)

\*NOTE: The discrepancy between Commodore Factors and Sprayfoil's books regarding the amount of the loan payable to Commodore Factors was due to Sprayfoil recording more than half the advances as a direct loan rather than as an advance from General Spray. Commodore Factors continued to regard its payments as advances to General Spray Service Inc., who in turn re-advanced the funds to Sprayfoil.

Security held—assignment of accounts receivable and inventory.

#### Allowance for Bad Debts

Owing to Commodore Factors Limited.....	\$ 205,042
Less: Security available	
Inventory—80% realizable.....	150,078
Unsecured portion.....	\$ 54,964

Assets available for unsecured creditors, after liquidation expenses, would be negligible.

Allowance required, say.....	\$ 55,000
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## APPENDIX H

### Commodore Factors Limited—(Continued)

#### Debtor—TURF KINGS, INC.

Balance Receivable at December 31, 1964. . . . . \$ 224,070

#### Latest Financial Report

This company was incorporated on February 21, 1964 as a subsidiary of General Spray Service, Inc. There was available, a trial balance from the offices of A. Jesse Goldstein & Co. at December 31, 1964.

#### Major Assets

Cash . . . . .		\$ 1,674
Accounts Receivable—General Spray Service Inc. . . . .	\$ 26,876	
—Other . . . . .	26,660	53,536
Inventory . . . . .		40,338
Advances to Employees . . . . .		6,210
Leasehold Improvements . . . . .		7,328

#### Major Liabilities

Unsecured Notes Payable—Commodore Factors Limited . . . . .	193,170
Secured inventory loan—Commodore Factors Limited . . . . .	27,591
Shareholders' equity (there were no capital contributions into this company)—(deficiency) . . . . .	(\$ 116,777)

Recent earnings (losses since inception in February 1964) . . . . . (\$ 116,777)

#### Discount required:

Accounts receivable		
General Spray Service Inc.—100% . . . . .	\$ 26,876	
Other—20% . . . . .	5,000	
Inventory—20% . . . . .	8,000	
Advances to employees—100% . . . . .	6,000	
Leasehold improvements—100% . . . . .	7,000	\$ 52,876

Discounted net tangible assets—(deficiency) say . . . . . \$ 170,000

#### Allowance for Bad Debts

In view of the fact that this company was totally financed by Commodore Factors Limited with no share capital investment at all, an allowance equal to the discounted net assets deficiency was warranted.

Allowance required . . . . . \$ 170,000

#### Debtor—HANCOCK TELECONTROL CORPORATION

Balance Receivable at December 31, 1964. . . . . \$ 246,833

#### Latest Financial Report

No financial data readily available.

Confirmation of account—photocopies in our possession of the working papers of Wagman, Fruitman & Lando for December 31, 1964 include evidence of confirmation of the Hancock account apparently subject to remarks of the Controller which unfortunately are not included in the file.

#### Allowance Requirements

The pattern of payments and new loans changed favourably with respect to this account in 1964. Payments continued to be received regularly during the year as in 1963, but new loans were restricted to an amount of \$12,003 only. The account was thereby reduced from \$582,368 to \$246,833 in 1964.

Nevertheless, it would be prudent to maintain last year's allowance of \$30,000 in view of the substantial sum still remaining to be collected. . . . .

\$ 30,000



# Commodore Factors Limited—(Continued)

## Debtor—MANHATTAN SOUND CORPORATION AND MANHATTAN WEST SOUND, INC.

Balance Receivable at December 31, 1964—Manhattan Sound.....	\$ 732,927
Manhattan West.....	170,381
Total amount receivable at December 31, 1964.....	<u>\$ 903,308</u>

### Latest Financial Report

Financial statements prepared without audit by J. D. Blau & Co. at November 30, 1964.

### Major Assets

Investment in Analogue Controls (pledged to Commodore Factors).....	\$ 279,181
Fixed assets net of depreciation.....	282,876
Receivables and inventory.....	213,074

### Major Liabilities

Due to Commodore Factors.....	\$ 726,938
Motion Picture Security.....	191,280
Others.....	30,470
Shareholders' equity (deficiency).....	(\$ 77,559)
Add non-tangible assets such as pre-paid interest, organization expenses.....	(\$ 72,717)
Net tangible assets (deficiency).....	(\$ 150,276)
Current position (working capital deficit).....	(\$ 11,000)
Latest earnings (three months).....	(\$ 15,910)
Manhattan West Sound, Inc.—Shareholders' equity (deficiency).....	(\$ 1,661)

### Confirmation of Account

Discrepancy indicated—although H. Wagman's papers indicate "as per Manhattan Books."

### Security held—

75,000 shares of Analogue Controls, and assignment of accounts receivable and equipment.

### Discount Required

Investment in Analogue Controls—the full amount of the purchase price of 75,000 shares at \$4.00 U.S. per share was loaned by Commodore Factors in October 1964. It was common knowledge that this was part of a block of 300,000 shares which were bought that month from Commodore Business Machines at \$1.45 per share— (discount \$2.55 x 75,000).....	\$ 191,000
Accounts receivable—20%.....	29,000
Fixed assets—30% or say.....	85,000
Receivable from Manhattan West—100%.....	12,000
Loans receivable and inventories—20%.....	13,000
	<u>\$ 330,000</u>
Discounted net tangible assets (deficiency).....	(\$ 480,000)

### Allowance for Doubtful Accounts

In view of the apparent insolvency of this Company, and the questionable value of certain assets (both on a going concern basis and on liquidation) it would be prudent to allow for bad debts as follows:

Loan payable to Commodore Factors.....	\$ 732,927
Accounts receivable—80% realizable.....	\$ 119,852
Investment in Analogue Controls—\$1.45 per share.....	88,000
Fixed assets—70% realizable.....	197,876
	<u>\$ 405,728</u>
Deduct taxes and other preferred creditors.....	15,348
	<u>\$ 390,380</u>
Unsecured balance.....	\$ 342,547
Add: Other unsecured creditors	
Accounts payable.....	\$ 15,122
Due to Motion Picture Security.....	191,280
	<u>\$ 206,402</u>
Total unsecured claims.....	<u>\$ 548,949</u>
Assets available to meet unsecured claims:	
Cash.....	\$ 374
Inventory (\$27,339 less 20%).....	21,339
Loans receivable (\$36,883 less 20%).....	29,883
Security deposits.....	10,400
	<u>\$ 61,996</u>
Estimated loss on unsecured claims:	
Amount.....	\$ 486,953
Percentage.....	<u>90%</u>
Allowance required of about 90% on the unsecured balance of \$342,547 or, say.....	\$ 308,000

NOTE: It was presumed that the secured loan to Manhattan West was adequately covered.

## APPENDIX H

### Commodore Factors Limited—(Continued)

#### Debtor—MOTION PICTURE SECURITY CORPORATION

Balance Receivable at December 31, 1964..... \$ 271,571

#### Latest Financial Report

Interim, unaudited financial statements at October 31, 1964.

#### Major Assets

Cash in Bank.....	\$ 15,514
Accounts receivable, net of holdback reserve, etc.....	70,150
Instalment note—Manhattan Sound Corporation.....	144,187
Notes receivable—miscellaneous.....	7,454
	<u>\$ 237,305</u>

#### Major Liabilities

Demand notes—Commodore Factors.....	\$ 85,810
Long-term notes—Commodore Factors.....	147,432
Interest payable—Commodore Factors.....	1,098
	<u>\$ 234,340</u>

Book value of net tangible assets.....	\$ 2,965
Recent earnings—seven months.....	\$ 2,815

#### Discount Required

Instalment note of Manhattan Sound Corp. unsecured—90% uncollectible, or say.....	\$ 130,000
Accounts receivable—say 20%.....	14,000
Notes receivable—20%.....	1,600
	<u>\$ 145,600</u>

Discounted net tangible assets (deficiency)..... (\$ 142,000)

#### Allowance for Bad Debts

In view of the very questionable value of this Company's assets and the fact that Commodore Factors was the sole source of finance to this Company, an allowance equal to the discounted net tangible asset deficiency would be warranted.

Allowance required.....	\$ 142,000
-------------------------	------------

## Commodore Factors Limited—(Continued)

### Debtor—NEVIL ENTERPRISES, INC.

Balance Receivable at December 31, 1964..... \$ 879,280

#### Latest Financial Report

No audited financial statements available—apparently none were ever prepared. However, financial information has been obtained from the tax files of the Company (Exhibit 2494).

#### Major Assets (July 31, 1964)

Accounts receivable.....	\$ 72,213
Inventory.....	301,000
Fixed assets.....	73,159
Patents.....	1,000,000

#### Major Liabilities

Bank overdraft and accounts payable.....	\$ 79,448
Due to Atlantic Acceptance Group.....	975,973

#### Equity—

Share capital (presumed contribution of patents—apparently an arbitrary valuation)....	\$ 1,000,000	
Deficit.....	(\$ 605,268)	\$ 394,732
Recent earnings (loss for year).....		(\$ 394,285)
Book value of net tangible assets (patents regarded as intangible assets)—(deficiency).....		(\$ 605,268)

Security taken—apparently none.

Repayment pattern—Unfavourable—apparently the loan is considered by both borrower and lender as a long-term loan, say of five years' duration.

#### Comments

Mr. C. P. Morgan was a Vice-President and Director of the Company as at March 28, 1962 and presumably continued to hold that office.

Although the Wagman firm were not the auditors or accountants of the Nevil group of companies, the firm would be aware of total loans to the group by the Atlantic subsidiaries through their audits of these subsidiaries. Also, Mr. Wagman may have known of Mr. Morgan's directorship in the Company and of his personal friendship with Mr. Levinson, which knowledge would assist in evaluating the collectibility of the account.

#### Allowance Requirements

Because of reasonable doubt concerning the fairness of the book valuation of patents, the unfavourable repayment pattern and the consistent loss experience in the Company's two years of operations, the previous year's allowance of 25% should be increased to 50%. Say..... \$ 450,000

# APPENDIX H

## Commodore Factors Limited—(Continued)

### Debtor—THE SYMPHONY PAINT COMPANY (Formerly The Jacroy Company)

Balance Receivable at December 31, 1964..... \$ 1,322,970

#### Latest Financial Report

Unqualified audit report and financial statements prepared by Horwath & Horwath, G. C. Smith & Company at December 31, 1964.

#### Major Assets

Accounts receivable (allowance \$8,429).....	\$ 141,958
Loan to Jacroy Canada Limited.....	71,008
Inventory.....	268,772
Fixed assets (depreciation \$131,596).....	176,747
Development costs.....	55,746

#### Major Liabilities

Accounts payable.....	\$ 79,189
Loan payable—short-term.....	969,108
Mortgage payable.....	14,646
Loans payable—long-term.....	453,576
Equity (deficiency).....	(\$ 792,899)
Net tangible assets (deficiency).....	(\$ 848,645)

#### Discount of assets

Receivable from Jacroy Canada Limited—an insolvent Company—no proceeds expected.....	\$ 71,000
Accounts receivable—say 20% discount.....	28,000
Inventory—say 20% discount.....	53,000
Fixed assets—say 30% discount.....	53,000
	\$ 205,000

Discounted net tangible assets (deficiency)..... (\$ 1,054,000)

#### Allowance for Bad Debts

This Company was apparently controlled by C. P. Morgan, the President of Commodore Factors Limited. This Company's retained earnings had been in a deficit position since Commodore first started loaning funds to this Company in December 1961. Since 1962 the Company's financial statements showed an insolvent position.

The allowance for bad debts on this account should be as follows:

Total loans of Commodore Factors Limited.....	\$ 1,332,970
Less: Security of estimated realizable value	
Accounts receivable (80% realizable).....	\$ 113,958
Inventory (80% realizable).....	215,772
	329,730
Balance unsecured.....	\$1,003,240
Other unsecured creditors (\$131,096 less mortgage of \$14,646 and insurance loan of \$10,338).....	106,112
Total unsecured claims.....	\$ 1,109,352
Available to meet unsecured claims:	
Cash.....	765
Fixed assets—70% realizable.....	\$ 123,747
Less: mortgage.....	14,646
	109,101
Cash surrender value of Life Insurance Policies.....	16,199
Less: Life Insurance loans.....	10,338
	5,861
Deposits and other.....	2,751
	\$ 118,478
Expected loss on unsecured loans—amount.....	\$ 990,874
—percentage 90%.....	
Required allowance on Commodore Factors Limited's unsecured portion of the loan (90% of \$1,003,240) or, say	\$ 900,000



## Commodore Factors Limited—(Continued)

### Debtor—TOOLS AND MOLDS, INC.

Balance Receivable at December 31, 1964.....	\$ <u>435,075</u>
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#### Latest Financial Report

No audited financial statements available (apparently none were ever prepared). However, financial information has been obtained from the tax files of the Company (Exhibit 2495)

#### Major Assets (April 30, 1964)

Due from Nevil Enterprises Inc.....	\$ 91,500
Molds and Dies.....	256,000

#### Major Liabilities

Due to Atlantic Acceptance Group.....	\$ 384,976
Equity (impairment).....	(\$ 37,476)
Recent earnings (loss for year).....	(\$ 37,476)
Security taken—chattel mortgage.....	
Discounted net tangible assets:	
Book value as above (deficiency).....	(\$ 37,476)
Allowance required on account receivable from Nevil Enterprises Limited (see schedule on Nevil Enterprises Limited)—50%, say.....	46,000
Tools and Molds—50% discount.....	128,000
Deficiency of net assets.....	\$ 211,476

#### Comments

This Company was incorporated in 1963 as a New York Company for the apparent purpose of purchasing tools and molds from Nevil Enterprises Inc. and leasing them back. As shown by a certification document dated May 15, 1963 and addressed to the Chemical Bank New York Trust Company, the officers of Tools and Molds Inc. are shown to be as follows: N. Levinson—President; P. Morgan—Vice-President and P. Drew—Secretary (Exhibit 2492).

Also, in May, 1963 Commodore Factors loaned the Company \$420,000 which money was used as follows: \$320,000 to purchase the tools and molds from Nevil Enterprises Limited and \$100,000 to loan to the same Company. Nevil Enterprises Limited paid \$350,000 of this money back to Commodore Factors Limited to reduce its loan account.

The loan to Tools and Molds Inc. was repayable in five years with an effective interest rate of about 14% per annum. A chattel mortgage on the tools and molds was given as security to Commodore Factors Limited.

#### Allowance Requirements

During 1964, this Company was able to meet only two monthly payments. In November, the account was renegotiated—interest of \$2,991 was capitalized; a further amount of \$10,550 was credited to Tools and Molds Inc. and the repayment terms were set at \$10,000 monthly for 60 months. The amount credited in November was reversed in December in lieu of that month's payment requirement.

An auditor would observe that no payments were met in 1964 up to the date of completion of his audit (in fact, no payments were ever made on this renegotiated loan).

The loss experience of the Company, the deficiency of discounted net assets and the above circumstances of the renegotiations would concern an auditor and cause him to look to the security held.

Balance owing as above.....	\$ 435,075
Estimated realizable value of assets:	
Accounts receivable from Nevil Enterprises Limited.....	\$ 91,500
Less discount as above—50%.....	46,000
Tools and Molds (discounted 50%).....	45,500
Allowance required.....	128,000
Say.....	173,500
	\$ 261,575
	<u>\$ 265,000</u>

## APPENDIX H

### Commodore Factors Limited—(Continued)

#### Debtor—NEW MERRIT ENTERPRISES, INC.

Balance Receivable at December 31, 1964..... \$ 46,696

##### Latest Financial Report

Financial statements were available and were apparently unaudited at February 28, 1965.

##### Major Assets

Funny Man TV film series (net of depreciation).....	\$ 192,881	
Other.....	21,000	\$ 213,881

##### Major Liabilities

Production advances.....	\$ 209,595	
Debentures.....	175,870	
Other.....	158,704	\$ 544,169

Equity (impairment)..... (\$ 330,288)

Book value of net tangible assets..... (\$ 330,557)

Current position (deficiency)..... (\$ 35,829)

##### Allowance Requirements

This account represents five notes which originally were due in April and May of 1964 but which were extended to the fall of 1964.

No payments had been made by February of 1965 and the Company were negotiating for additional loans and the conversion of the loans to an equity position.

In view of the apparently hopeless financial condition of the Company and the low priority of Commodore Factors Limited to the Company's assets on liquidation, a 100% allowance should be provided. Say..... \$ 46,000

#### Debtor—MODERN HOSPITAL EQUIPMENT DESIGNS LIMITED

Balance Receivable at December 31, 1964..... \$ 25,503

##### Latest Financial Reports

No financial data available.

##### Allowance Requirements

Commodore Factors Limited wrote-off \$55,358 with respect to this account during 1964. With respect to the balance, the records of Commodore Factors Limited describe the item as "Notes Receivable" with a Notation, "Assignment of U.S. and Canadian patent rights of bed sides." No payments have been received on this account since its inception in 1962 and in the absence of information regarding the value of the above patent rights, the account warrants a 100% allowance. Say..... \$ 25,000

## ADELAIDE ACCEPTANCE LIMITED

### Analysis of Accounts Receivable and Bad Debt Allowance Requirements as at December 31, 1964

(Net of unearned interest)

<i>Debtor</i>	<i>Amount</i>	<i>Debtor's Financial Position</i>		<i>Required Allowance for Bad Debts</i>
		<i>Book Value of Net Tangible Assets</i>	<i>Discounted Net Assets</i>	
Aurora Leasing Corporation Limited .....	\$2,210,883	\$ 411,545	(\$4,941,955)	\$2,200,000
V. Ferrara (Fleetwood) .....	2,663			—
Frederick's Department Store Limited .....	609,000	(467,592)	(677,300)	609,000
Mersey Lanes Ltd. (Fleetwood) .....	15,063			6,000
C. G. Miller .....	3,292			—
Nevil Enterprises, Inc. ....	157,229	(605,268)		75,000
Nevil Plastics Limited .....	376,922	(68,883)		125,000
Opekar Investments Limited .....	86,860	5,734	(30,416)	60,000
Premier Bowl (Fleetwood) .....	23,211			9,000
Louis Sheriff Limited .....	67,438	(49,182)		34,000
R. J. Solloway .....	5,537			—
Toppler Bowl (Fleetwood) .....	44,104			22,000
M. Silverman .....	6,539			—
Valley Farm and Enterprises Limited .....	251,800	(163,100)	(843,100)	155,000
E. Yeoman (Fleetwood) .....	4,233			2,000
Dalite Corporation (Canada) Limited .....	159,826	148,593	(412,407)	—
Fleetwood Bowling Equipment Limited .....	(8,015)			(3,000)
P. W. Thetford .....	1,442			—
<b>Totals .....</b>	<b>\$4,018,027</b>			<b>\$3,294,000</b>

## ADELAIDE ACCEPTANCE LIMITED

### List of Auditors and/or Accountants of Debtor Companies as at December 31, 1964

<i>Debtor</i>	<i>Auditors or Accountants</i>	<i>Most Recent Financial Statement</i>		
		<i>(As per most recent financial statements or as authorized by the records of the debtor company)</i>		
		<i>Audited</i>	<i>Qualified or Opinion Withheld</i>	<i>Unaudited</i>
Aurora Leasing Corporation Limited .....	Walton, Wagman & Co. and/or successor firm	*	*	
V. Ferrara (Fleetwood) .....	—			
Frederick's Department Store Limited .....	Walton, Wagman & Co. and/or successor firm	*		
Mersey Lanes Ltd. (Fleetwood) .....	Not known			
C. G. Miller .....	—			
Nevil Enterprises, Inc. ....	Not known			*
Nevil Plastics Limited .....	Not known			*
Opekar Investments Limited .....	McLeod, Dickson & Co.			*
Premier Bowl (Fleetwood) .....	Not known			
Louis Sheriff Limited .....	Sobel Sherman and Company	*		
R. J. Solloway .....	—			
Toppler Bowl (Fleetwood) .....	Not known			
M. Silverman .....	—			
Valley Farm and Enterprises Limited .....	Walton, Wagman & Co. and/or successor firm			*
E. Yeoman (Fleetwood) .....	—			
Dalite Corporation (Canada) Limited .....	Walton, Wagman & Co. and/or successor firm			*
Fleetwood Bowling Equipment Limited .....	Not known			
P. W. Thetford .....	—			

## APPENDIX H

### ADELAIDE ACCEPTANCE LIMITED

#### Debtor—AURORA LEASING CORPORATION LIMITED

Balance Receivable at December 31, 1964..... \$ 2,210,883

#### Latest Financial Report

Audited financial statements prepared by Wagman, Fruitman & Lando at December 31, 1964.

#### Major Assets

Term accounts receivable.....	\$ 1,422,768
Notes receivable.....	1,303,767
Call notes receivable.....	3,878,610
Mortgages.....	2,239,758
Rediscounted notes receivable.....	5,407,691
Equipment (less depreciation of \$778,126).....	1,305,420

#### Major Liabilities

Outstanding cheques.....	\$ 993,316
Notes payable—secured.....	6,792,518
Convertible unsecured notes payable.....	529,000
Due re; rediscounted notes.....	5,407,691
Deferred revenue.....	1,357,692

Shareholders' equity—net tangible assets..... \$ 411,545

Discounts of assets—allowance for bad debts required less \$100,000 already provided..... \$ 5,353,500

Discounted net tangible assets..... (\$ 4,941,955)

Security held (Note 2)

#### Major Creditors at December 31, 1964

Commodore Sales Acceptance (Note 1).....	\$ 8,194,244
British Mortgage & Trust.....	1,700,000
Adelaide Acceptance (Note 2).....	2,210,883

#### Allowance for Bad Debts

Total assets per financial statements.....	\$15,710,890
Less: Deferred revenue.....	1,357,692

	\$14,353,198
--	--------------

Less: Estimated increase in allowance for doubtful accounts.....	5,353,500
--	-----------

Estimated realizable value of assets.....	\$ 8,999,698
---	--------------

Less: Preferred creditors—income taxes payable.....	\$ 8,642
---	----------

Outstanding cheques up to amount of cash in bank, say.....	252,876
--	---------

	261,518
--	---------

Less: British Mortgage & Trust loan—secured by specific assignment of book debts.....	\$ 8,738,180
---	--------------

	\$ 1,700,000
--	--------------

Assets available to meet Commodore Sales' loan secured by a general assignment of book debts.....	\$ 7,038,180
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Commodore Sales' loan.....	8,194,244
----------------------------	-----------

Deficiency in security.....	(\$ 1,156,064)
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Available to meet unsecured creditors.....	<u>Nil</u>
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In view of the fact that Adelaide Acceptance held no registered security, it would be prudent to allow for a complete loss or, say.....	<u>\$ 2,200,000</u>
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#### Notes

1. Commodore Sales transferred a \$631,000 receivable owing by Dalite Corporation to Aurora Leasing. Aurora Leasing, however, never accepted this account or recorded it on its books. Commodore Sales subsequently reversed the transaction and gave Aurora a credit of \$631,000. A formal legal assignment was never executed.
2. Although Adelaide Acceptance notes were described as "secured" on the Aurora balance sheet, there was no evidence of any registered security.



## Adelaide Acceptance Limited—(Continued)

### Debtor—FLEETWOOD BOWLING EQUIPMENT LIMITED ACCOUNTS

<u>Individual Accounts</u>	<u>Balance Receivable at December 31, 1964</u>	<u>Allowance Requirements</u>	
		<u>%</u>	<u>Amount</u>
V. Ferrara .....	\$ 2,663	20	—
Mersey Lanes Ltd. ....	15,063	40	\$ 6,000
Premier Bowl. ....	23,211	40	9,000
Toppler Bowl. ....	44,104	50	22,000
Mrs. E. Yeoman .....	4,233	40	2,000
Fleetwood (sundry credits) .....	(8,015)	40	(3,000)
Total .....	<u>\$81,259</u>		<u>\$36,000</u>

#### Comments

The above accounts originated in 1962 or in some cases in 1963 through the purchase from Fleetwood Bowling Equipment Limited of conditional sales contracts. Apparently the Fleetwood Company became bankrupt and Adelaide Acceptance found it necessary to deal directly with the individual parties to the contracts.

#### Allowance Requirements

Generally speaking, payments on the above accounts were slow in 1963 and continued to be slow during 1964. With the exception of V. Ferrara and Mersey Lanes, the allowance requirements were increased percentage-wise in all cases because of the slow progress made in the accounts during 1964.

## APPENDIX H

### Adelaide Acceptance Limited—(Continued)

#### Debtor—FREDERICK'S DEPARTMENT STORE LIMITED

Balance Receivable at December 31, 1964.....	\$ 609,000
<b>Latest Financial Report</b>	
Audited financial statements prepared by Wagman, Fruitman and Lando January 31, 1964 (Exhibit 260)	
<b>Major Assets</b>	
Inventory.....	\$ 300,462
Investment in F. C. Adams Ltd. (wholly owned subsidiary) at cost less substantial provision for possible losses.....	89,708
Intangibles.....	44,656
<b>Major Liabilities</b>	
Bank overdraft, accounts payable and accrued.....	\$ 80,495
Notes payable.....	194,000
Debentures—secured by a floating charge on the operations and assets of the Company (payable to Adelaide).....	600,000
Equity (deficit).....	(\$ 422,936)
Book value of net tangible assets (deficiency).....	(\$ 467,592)
Latest earnings (loss for year) on sales of \$1,315,541.....	(\$ 314,649)
<b>Commitments—</b>	
25 year lease of London store premises at annual rental of \$110,000 (1961).....	\$2,502,500
lease of store equipment and fixtures from Aurora (1961 and 1963).....	176,628
<b>Allowance Requirements</b>	
Book value of net tangible assets (deficiency)—as above.....	(\$ 467,592)
<b>Add</b>	
Provision for possible losses in event of liquidation or sale—Inventory—50%.....	150,000
Investment in F. C. Adams (see note below)	
Book value as above.....	\$ 89,708
Estimated realizable value.....	30,000
	59,708
Discounted net assets (deficiency).....	(\$ 677,300)

#### NOTE

##### Evaluation of Investment in F. C. Adams

An auditor's note to financial statements indicates that the book value of net tangible assets as at December 31, 1963 is only \$62,392. Considering that the Company's latest reported operating results are a loss of \$3,827, realizable value on sale or liquidation is estimated at 50% , or \$30,000.

A copy of a letter sent by Wagman *et al* to Frederick's dated January 12, 1965 (obtained from Wagman files—Exhibit 719) indicates that the Wagman firm were enquiring about the audit of the accounts for the year ended January 31, 1965. However, there is no evidence that an audit was actually undertaken or that statements were even prepared.

Based on the review as at January 31, 1964, it could reasonably be assumed that conditions had not improved in the past year and that an allowance of 100% would still be warranted.....

\$ 609,000

## Adelaide Acceptance Limited—(Continued)

### Debtor—C. G. MILLER

Balance Receivable at December 31, 1964.....	\$ 3,292
<b>Latest Financial Report</b>	
No financial data available.	
<b>Allowance Requirements</b>	
This appears to be a normal loan with no indications of doubtful collectibility.	
Allowance.....	Nil

### Debtor—NEVIL ENTERPRISES, INC.

Balance Receivable at December 31, 1964 .....	\$ 157,229
<b>Latest Financial Report</b>	
No audited financial statements available—apparently none were ever prepared. However, financial information has been obtained from the tax files of the Company (Exhibit 2494).	
<b>Major Assets (July 31, 1964)</b>	
Accounts receivable.....	\$ 72,213
Inventory.....	301,000
Fixed assets.....	73,159
Patents.....	1,000,000
<b>Major Liabilities</b>	
Bank overdraft and accounts payable.....	\$ 79,448
Due to Atlantic Acceptance Group.....	975,973
<b>Equity—</b>	
Share capital (presumed contribution of patents apparently at an arbitrary valuation)...	\$ 1,000,000
Deficit.....	(605,268)
Recent earnings (loss for year).....	(\$ 394,285)
Book value of net tangible assets (patents regarded as intangible assets)—(deficiency).....	(\$ 605,268)
Security taken—apparently none.	
Repayment pattern—During 1964, taking the Nevil Plastics Limited and Nevil Enterprises Inc. accounts together, the total loans outstanding, plus interest, increased by \$77,910 from \$456,241 to \$534,151. The main activity in the accounts was to renew each note as it became due.	
<b>Comments</b>	
Although the Wagman firm were not the auditors or accountants of the Nevil group of companies, the firm would be aware of total loans to the group by the Atlantic subsidiaries through their audits of these subsidiaries. Also, Mr. Wagman may have known of Mr. Morgan's directorship in the Company and of his personal friendship with Mr. Levinson, which knowledge would assist in evaluating the collectibility of the account.	
<b>Allowance Requirements</b>	
Because of reasonable doubt concerning the fairness of the book valuation of patents, and the consistent loss experience in the Company's two years of operations, together with the unfavourable payment pattern, the previous year's allowance of 25% should be increased to 50%. Say.....	
	\$ 75,000

## APPENDIX H

### Adelaide Acceptance Limited—(Continued)

#### Debtor—NEVIL PLASTICS LIMITED

Balance Receivable at December 31, 1964.....	\$ 376,922
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#### Latest Financial Report

No audited financial statements available—apparently none were ever prepared. However, financial information has been obtained from the tax files of the Company (Exhibit 2490).

#### Major Assets (February 28, 1964)

Due from Associated Companies.....	\$ 367,223
------------------------------------	------------

#### Major Liabilities

Due to Atlantic Acceptance Group.....	\$ 420,160
---------------------------------------	------------

Equity (impairment).....	(\$ 68,883)
--------------------------	-------------

Recent earnings (loss).....	(\$ 680)
-----------------------------	----------

Security taken—apparently none.

Repayment pattern—During 1964, taking the Nevil Plastics Limited and Nevil Enterprises Inc. accounts together, the total loans outstanding, plus interest, increased by \$77,910 from \$456,241 to \$534,151. The main activity in the accounts was to renew each note as it became due.

#### Comments

Although the Wagman firm were not the auditors or accountants of the Nevil Group of companies, the firm would be aware of total loans to the group by Atlantic subsidiaries through their audits of these subsidiaries. Also, Mr. Wagman may have known of Mr. Morgan's personal friendship with Mr. Levinson, which knowledge would assist in evaluating the collectibility of the account.

#### Allowance Requirements

The only major asset of this Company was advances to associated companies which are in an impaired condition. There was reasonable doubt as to the collectibility and value of this asset. Because of the lack of information about this account, the unfavourable repayment pattern and the high-risk nature of Adelaide's clients in general, the previous year's allowance of 25% should be increased to 33 $\frac{1}{3}$ % Say.....

\$ 125,000
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## Adelaide Acceptance Limited—(Continued)

### Debtor—OPEKAR INVESTMENTS LIMITED

Balance Receivable at December 31, 1964 .....	\$	80,860
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#### Latest Financial Reports

Unaudited financial statements as at May 31, 1964 prepared by McLeod, Dickson & Co. Toronto. The accountants' comments are dated July 15, 1965.

#### Major Assets (May 31, 1964)

Investments—at cost or market:		
100,400 shares Ram Petroleums Limited at 63¢ .....	\$	63,252
Other .....		21,502
	\$	84,702
Oil leases and drilling expenses .....		10,068

#### Major Liabilities

Bank loan (secured) .....	\$	13,350
Loans payable .....		85,350
Equity .....	\$	6,163
Book value of net tangible assets .....	\$	5,734
Recent earnings (loss for year) .....	(\$	57)

#### Discounted Net Tangible Assets

Book value of net tangible assets .....	\$	5,734
Reduction of valuation of shares of Ram Petroleums to approximate book value of 27¢ each .....		(36,150)
	(\$	30,416)

#### Comments

Mr. R. J. Opekar was President of Opekar Investments Limited, Ram Petroleums Limited and R. J. Opekar Ltd. under which name he operated an investment dealership (he was not a member of the Investment Dealers' Association). As of March 1964 he withdrew his investment dealership licence presumably owing to pressure of the Ontario Securities Commission who noted that his Company had inadequate records and had defaulted in an underwriting agreement for Ram Petroleums.

Opekar Investments Limited apparently was incorporated in June of 1963. This Company, in 1963, purchased 100,400 shares of Ram Petroleums at 85¢ each or \$85,350, which money was borrowed from Adelaide for the purpose. (Most of the balance of the 250,000 share issue was purchased by Dallas Holdings—see schedule on Dallas.)

#### Allowance Requirements

Original cost of 100,400 shares of Ram Petroleums Limited .....	\$	85,350
Estimated realizable value based on unaudited financial statements as of December 31, 1964 which showed a loss of \$54,116 during the year and had tangible net assets of a book value of approximately 27¢ per outstanding share, say .....		27,100
Estimated reduction in value .....		58,250
Add unrecorded interest .....		1,510
	\$	59,760
Allowance required, say .....		60,000

## APPENDIX H

### Adelaide Acceptance Limited—(Continued)

#### Debtor—LOUIS SHERIFF LIMITED

Balance Receivable at December 31, 1964 ..... \$ 67,438

##### Latest Financial Report

Financial statements as at December 31, 1963 audited by Sobel, Sherman & Co. Toronto.

##### Major Assets

Machinery and equipment (less depreciation of \$15,882) ..... \$ 23,723

##### Major Liabilities

Accounts payable and outstanding cheques ..... \$ 17,210  
Notes payable—Adelaide—due October 15, 1970 ..... 56,663

Equity (impairment) ..... (\$ 48,759)

Recent earnings (loss for year) ..... (\$ 34,108)

Book value of net tangible assets (deficiency) ..... (\$ 49,182)

##### Security taken—

Registered assignment of leases on machines of Towers Marts & Properties Limited and Sentry Department Stores Limited.

##### Allowance Requirements

No payments were received on this account since July, 1963. In view of the insolvency and the continuing loss experience of this Company, an auditor would look to the worth of the security held. The financial statements and accompanying notes seem rather to confuse than assist in determining the value of such security. For example, the repairs and maintenance expenditures on rental equipment seem high in relation to rental revenue; further, there is litigation in connection with the rental operation.

Considering the long-term nature of the loans and the doubtful worth of the security held, an allowance of 50% seems warranted. Say ..... \$ 34,000

#### Debtor—R. J. SOLLOWAY

Balance Receivable at December 31, 1964 ..... \$ 5,537

##### Latest Financial Report

No financial data available.

##### Allowance Requirements

This appears to be a normal loan with no indications of doubtful collectibility.

Allowance ..... Nil

#### Debtor—M. SILVERMAN

Balance Receivable at December 31, 1964 ..... \$ 6,539

##### Latest Financial Report

No financial data available.

##### Allowance Requirements

This appears to be a normal loan with no indications of doubtful collectibility.

Allowance ..... Nil

# Adelaide Acceptance Limited—(Continued)

## Debtor—VALLEY FARM AND ENTERPRISES LIMITED

Balance Receivable at December 31, 1964.....		\$ 251,800
<b>Latest Financial Report</b>		
Interim financial statements prepared by Wagman, Fruitman & Lando at April 30, 1965.		
Last annual report—unaudited—prepared by Wagman, Fruitman & Lando at June 30, 1964.		
<b>Major Assets (June 30, 1964)</b>		
Notes and loans receivable.....		\$ 826,617
Fixed assets—land.....		433,365
other.....		119,126
<b>Major Liabilities (June 30, 1964)</b>		
Notes payable.....		\$ 1,183,500
Mortgage payable—Hilltop Holdings Limited.....		42,546
Commodore Sales Acceptance Limited.....		129,332
Book value of net tangible assets (deficiency).....		(\$ 163,100)
Current position (working capital deficiency).....		(\$ 586,257)
Most recent earnings (loss).....		(\$ 136,292)
<b>Discount—</b>		
Loans receivable		
Canada Motor Products (Toronto) Limited (no distribution to unsecured creditors).....		\$ 60,000
Canada Motor Products (Blackstone) Limited (bankrupt, no assets available).....		25,000
Associated Canadian Holdings Limited, 45% allowance estimated for unsecured loans, or say.....		155,000
Dallas Holdings Limited, 57% allowance estimated for unsecured loans, or say.....		100,000
Cimcomy of Canada Limited, 20% allowance estimated for unsecured loans, or say.....		20,000
Real Estate deposit—due from George Blacklock, insufficient personal assets to pay—allow say 50% .		45,000
		\$ 405,000
<b>Fixed assets</b>		
Farming operations ceased in 1964—a 1962 appraisal of property values showed an \$82,700 value. It would be appropriate to discount the fixed assets by say 50%, or.....		275,000
		\$ 680,000
Discounted net tangible assets at June 30, 1964 (deficiency).....		(\$ 843,100)
<b>Allowance for Bad Debts</b>		
Total assets at June 30, 1964.....		\$1,379,108
Less: discount.....	\$680,000	
receivable from Hilltop Holdings Limited offset by mortgage payable.....	42,547	\$ 722,547
		\$656,561
Less: mortgage payable to Commodore Sales Acceptance Limited.....		129,332
Assets available for unsecured creditors.....		\$ 527,229
<b>Total unsecured creditors (excluding Hilltop Holdings Limited mortgage offset).....</b>		
		\$ 1,370,733
<b>Percentage available for unsecured creditors—38¼%</b>		
Allowance required (61½% of \$251,800) \$154,857 or, say.....		\$155,000

## APPENDIX H

### Adelaide Acceptance Limited—(Continued)

#### Debtor—DALITE CORPORATION (CANADA) LIMITED

Balance Receivable at December 31, 1964..... \$159,826

##### Latest Financial Report

Unaudited financial statements prepared by Wagman, Fruitman & Lando at December 31, 1964.

##### Major Assets

Accounts receivable (1½% allowance for doubtful accounts).....	\$7,003,043
Inventory.....	186,580
Investment (of which \$561,000 represents capital surplus "gain" and not a cash investment).....	566,000
Loans receivable.....	519,935
Fixed assets.....	66,343

##### Major Liabilities

Accounts payable.....	\$ 505,864
Notes and loans payable.....	7,508,193
Shareholders' advances.....	122,343

Book value of net tangible assets..... \$ 148,593

Current position..... \$ 82,250

Latest earnings (after writing-off intangible assets of \$710,840)..... \$ 37,112

Sales for the year—\$8,678,989 (1963—\$1,709,216)

##### Discounted net tangible assets:

Book value of net tangible assets.....	\$148,593	
Provision for loss on operating assets—unknown		
Investments (non-cash transaction set up in 1962 in the financial statements prepared by Walton, Wagman & Co.).....	(561,000)	(\$ 412,407)

##### Allowance Requirements

The regular payment pattern of this account and its secured nature through the assignment to Adelaide Acceptance Limited in 1962 of a First Floating Charge Debenture would indicate a probable collectibility regardless of the insolvency of Dalite Corporation (Canada) Limited.

Allowance required..... Nil

#### Debtor—P. W. THETFORD

Balance Receivable at December 31, 1964..... \$1,442

##### Latest Financial Report

No financial data available.

##### Allowance Requirements

This appears to be a normal loan which, although payments are slow, seems to be progressing towards payment in full. Mr. Thetford was an employee of Atlantic Acceptance.

Allowance..... Nil



# AURORA LEASING CORPORATION LIMITED

## Analysis of Accounts Receivable and Bad Debt Allowance Requirements (Including the total value of term accounts re: leases) as at December 31, 1964

<i>Debtors' Financial Position</i>					
<i>Debtor</i>	<i>Net Amounts Owing (Less Reserves)</i>	<i>Book Value of Net Tangible Assets</i>	<i>Discounted Net Assets</i>	<i>Required Allowance For Bad Debts</i>	
1. Atlantic Acceptance Corporation Limited.....	\$ 341,573	\$13,634,305		—	.1
2. Cimcomy of Canada Limited.....	544,156	(79,741)	(\$ 590,000)	\$ 100,000	.2
3. D.H.I. Limited.....	739,602	(1,646,858)	(2,560,000)	75,000	.3
4. Valley Farm and Enterprises Limited.....	839,860	(163,100)	(843,100)	516,000	.4
5. Frederick's Department Store Limited.....	467,073	(467,592)	(677,300)	417,000	.5
6. Associated Canadian Holdings Limited.....	1,122,597	910,007		250,000	.6
7. Evermac Office Equipment Company Limited....	2,101,561	(59,775)		1,000,000	.7
8. Treasure Island Properties Limited.....	1,335,094	(75,035)		550,000	.8
9. Treasure Island Gardens Limited.....	50,750	(262,160)		50,000	.9
10. D. W. Reid—White Oaks Shopping Centre.....	330,727			280,000	.10
11. Allied Towers Merchants Limited.....	476,662	4,312,222		—	.11
12. Freeport International Company Limited.....	1,755,014	3,681,378	526,887	750,000	.12
13. Daylite of Grand Bahama Company Limited....	263,190	—		130,000	.13
14. Towers Marts and Properties Limited.....	65,982	(3,006,039)		40,000	.14
15. Conarm Developments Limited.....	956,835	(283,884)		300,000	.15
16. Dallas Holdings Limited.....	492,235	(156,462)	(532,000)	300,000	.16
17. Belfield Investments Limited.....	899,014	(828,719)		90,000	.17
18. N.G.K. Investments Limited.....	572,420	97,514	(267,431)	170,000	.18
19. Mortgage, Trust and Savings Corporation (Bahamas) Limited.....	255,410			—	.19
20. Mastino Developments Limited.....	157,300	(5,907)	(106,867)	157,000	.20
21. Ottawa Valley Amusements Limited.....	118,334	(55)	(47,000)	42,000	.21
22. Arcan Corporation Ltd.....	25,018	(207,726)		12,000	.22
23. Charcoal Supply & Sales of Ontario Limited.....	86,803			43,000	.23
24. Don Mills.....	75,034			40,000	.24
25. Hebard Holdings Limited.....	50,333			—	.25
26. Fun-A-Marin Limited.....	26,500	(39,699)		26,500	.26
27. General Spray Service, Inc.....	82,928			65,000	.27
28. Inglewood Park Investments Ltd.....	63,492			—	.28
29. John Belli Operations Limited.....	77,100	23,236		16,000	.29
30. G.B.S. Barbecues Limited.....	60,200			—	.30
31. Meckler and Lazar.....	51,515			25,000	.31
32. Tip Top Tailors Limited.....	90,933	4,036,823		—	.32
33. J. A. Brewster.....	10,100			5,000	.33
34. Five Wheels Limited.....	315			—	.34
35. St. George's Golf and Country Club Ltd.....	10,287			—	.35
36. Corporate Plan Leasing Limited.....	(52)			—	.36
37. Commodore Sales Acceptance Limited.....	59			—	.37
38. Township of Michipicoten, Ontario.....	5,916			—	.38
39. Jacroy Canada Limited.....	8,775	(140,587)		4,000	.39
40. F. Mann Limited.....	1,038			—	.40
41. Martins (Pembroke) Limited.....	8,463			—	.41
42. Parkhill Creamery Limited.....	3,495			—	.42
	<u>\$14,623,641</u>				
Less Auditor's Contra against Accounts Payable to Commodore Sales Acceptance regarding interest receivable on rediscounted notes.....	(371,047)				
	<u>\$14,252,594</u>			<u>\$5,453,500</u>	

# APPENDIX H

## AURORA LEASING CORPORATION LIMITED

### List of Auditors and/or Accountants of Debtor Companies as at December 31, 1964

Debtor	Auditors or Accountants	Most Recent Financial Statement		
	(As per most recent financial statements or as authorized by the records of the debtor company)	Audited	Qualified or Opinion Withheld	Unaudited
Atlantic Acceptance Corporation Limited . . .	Deloitte, Plender, Haskins & Sells	*		
Cimcony of Canada Limited . . . . .	Walton, Wagman & Co. and/or successor firm			*
D.H.I. Limited . . . . .	McLeod, Dickson & Co.			*
Valley Farm and Enterprises Limited . . . . .	Walton, Wagman & Co. and/or successor firm			*
Frederick's Department Store Limited . . . . .	Walton, Wagman & Co. and/or successor firm	*		
Associated Canadian Holdings Limited . . . . .	Walton, Wagman & Co. and/or successor firm	*		
Evermac Office Equipment Company Limited .	Rose & Harrison			*
Treasure Island Properties Limited . . . . .	Walton, Wagman & Co. and/or successor firm			*
Treasure Island Gardens Limited . . . . .	Walton, Wagman & Co. and/or successor firm			*
D. W. Reid-White Oaks Shopping Centre . . .	Not known			
Allied Towers Merchants Limited . . . . .	Clarkson, Gordon & Co.	*		
Freeport International Company Limited . . .	Perlmutter, Orenstein, Giddens, Newman & Kofman			*
Daylite of Grand Bahama Limited . . . . .	Walton, Wagman & Co. and/or successor firm	*		
Towers Marts and Properties Limited . . . .	Clarkson, Gordon & Co.			*
Conarm Developments Limited . . . . .	Armstrong, Cross & Co.	*		
Dallas Holdings Limited . . . . .	Walton, Wagman & Co. and/or successor firm			*
Belfield Investments Limited . . . . .	Clarkson, Gordon & Co.	*		
N.G.K. Investments Limited . . . . .	Walton, Wagman & Co. and/or successor firm	*		
Mortgage, Trust and Savings Corporation (Bahamas) Limited . . . . .	Not known			
Mastino Developments Limited . . . . .	McLeod, Dickson & Co.			*
Ottawa Valley Amusements Limited . . . . .	R. L. Taylor			*
Arcan Corporation Ltd. . . . .	Gilbert, Barrett & Co. & Touche, Ross, Bailey & Smart	*		
Charcoal Supply & Sales of Ontario Limited .	Touche, Ross, Bailey & Smart	*		
Don Mills . . . . .	Not known			
Hebard Holdings Limited . . . . .	Not known			
Fun-A-Marin Limited . . . . .	Walton, Wagman & Co. and/or successor firm			*
General Spray Service, Inc. . . . .	A. Jesse Goldstein & Co.			*
Inglewood Park Investments Ltd. . . . .	Not known			
John Belli Operations Limited . . . . .	Walton, Wagman & Co. and/or successor firm			*
G.B.S. Barbecues Limited . . . . .	Sobel, Sherman & Co.	*		
Meckler and Lazar . . . . .	—			
Tip Top Tailors Limited . . . . .	Not known			
J. A. Brewster . . . . .	—			
Five Wheels Limited . . . . .	Not known			
St. Georges Golf and Country Club Ltd. . . .	Not known			
Corporate Plan Leasing Limited . . . . .	Not known			
Commodore Sales Acceptance Limited . . . .	Walton, Wagman & Co. and/or successor firm	*		
Township of Michipicoten, Ontario . . . .	—			
Jacroy Canada Limited . . . . .	Smith, Winston, Wolman, Roth & Smith	*		
F. Mann Limited . . . . .	Not known			
Martins (Pembroke) Limited . . . . .	Not known			
Parkhill Creamery Limited . . . . .	Not known			

# AURORA LEASING CORPORATION LIMITED

## Debtor—ATLANTIC ACCEPTANCE CORPORATION LIMITED

Balance Receivable at December 31, 1964. Term Accounts re Leases .....	\$ 341,593
Reported equity of the Company .....	<u>\$13,634,305</u>

The above term accounts represent the total value of leases on all furnishings in the branch offices of the Atlantic Acceptance and Atlantic Finance Corporation.

In view of the fact that this loan is secured by the furnishing in the loan offices of Atlantic, and these loan offices are of value to Atlantic and its other creditors under any foreseeable circumstances, it is reasonable to expect a preferred payout with no allowance required (even in the event of bankruptcy.)

Allowance .....	<u>Nil</u>
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## Debtor—CIMCONY OF CANADA LIMITED

Balance Receivable at December 31, 1964 .....	<u>\$544,156</u>
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### Latest Financial Report

Unaudited financial statements prepared by Wagman, Fruitman & Lando at May 31, 1964. ....

### Major Asset

Loans receivable .....	\$3,275,019
------------------------	-------------

### Major Liability

Loans payable— Commodore Sales Acceptance and Aurora Leasing .....	\$3,354,815
---	-------------

Due to— Commodore Sales Acceptance at December 31, 1964 .....	\$1,822,136
Aurora Leasing at December 31, 1964 .....	544,156
	<u>\$2,366,292</u>

Book value of net tangible assets (deficiency) .....	(\$79,741)
No allowance for bad debts on Cimcony's books .....	
Current position (working capital deficiency) .....	(\$82,000)

### Allowance for Bad Debt Requirements

Virtually the only asset shown by this Company's unaudited balance sheet is the above-mentioned item of Loans receivable in the amount of \$3,275,019. In the circumstances, an auditor would normally require to look into the collectibility of this item and the firm of Wagman, Fruitman & Lando had considerable knowledge of the affairs of Cimcony's debtors and of their credit standing.

The firm did all the accounting for Cimcony and its subsidiaries, Briardale and Ticonderoga, and H. Wagman signed all cheques of these firms. Control of all expenditures was handled by Wagman's office from November of 1964 and they were active in settling mechanic's lien actions against the properties owned by the group.

It was known that no cash was generated to pay even the loan interest—this was being capitalized and the properties were being operated unprofitably.

Commodore Sales' loans were secured by \$1,414,000 in mortgages on the Company's properties with the balance of Commodore Sales' loans (\$408,000) unsecured.

The unsecured portion of the loans at December 31, 1964 was represented, in part, by the following questionable assets of the Cimcony Companies:

Mortgage receivable from Dalite Corporation .....	\$ 306,072
(not recognized in the books of Dalite for which Wagman's firm were the accountants)	
Mortgage receivable from Housing by Cimcony Inc. (enquiry would show that this was purported to be expenses paid to Housing by Cimcony for research and development, and therefore not recoverable) .....	\$ 206,114
Discounted net tangible assets would therefore be in deficiency by at least .....	(\$590,000)
Total liabilities of Cimcony at May 31, 1964 were .....	<u>\$3,354,815</u>

### Estimated secured position—

Mortgages .....	\$1,414,000
Assignment of Atlantic notes .....	2,000,000

At May 31, 1964 the loans would have appeared to be fully secured—at December 31, 1964 Commodore Sales was the largest creditor with loans of \$1,822,000 and security valued, prima facie, at only \$1,414,000.

Aurora Leasing was a creditor in the amount of \$544,156 (although the Aurora ledger described the loan, initially, as being due from Cimcony Limited (of Nassau, Bahamas). Aurora's loan was made, ostensibly, to finance the purchase of 75,000 common shares of Analogue Controls Inc., 2,000 preferred shares of Cimcony Limited and an option to acquire 3,000 additional Cimcony preferred.

Taking the Analogue stock at a Toronto Stock Exchange quoted price of over \$5.00 and the Cimcony preferred at par of \$100 per share, this Aurora loan would be fully secured.

However, one month previously, these Analogue shares had been purchased as part of a wholesale purchase of over 300,000 shares at \$1.45 each. Mr. Wagman seems to have had knowledge of this complete transaction since Aurora Leasing financed the initial purchase, and this subsequent sale of about 25% to Cimcony; in addition, Mr. Wagman received delivery of most of these shares from the broker.

If this large block of shares could, in fact, not be sold at market price of \$5.00 in a thin market, then the \$1.45 purchase might be a more reasonable value to place on this security. Given this, the total value of the security would be \$308,750.

In view of the auditor's knowledge of these transactions, the questionable value of the security, and the expected deficiency in assets of Cimcony of Canada Limited, it would be prudent to set up an allowance of about 20%, or say.

\$ 100,000

## APPENDIX H

### Aurora Leasing Corporation Limited—(Continued)

#### Debtor—D. H. I. LIMITED

Balance Receivable at December 31, 1964—Term accounts re leases.....	\$ 383,444
Add: Notes receivable.....	356,158
Total amount receivable at December 31, 1964.....	<u>\$ 739,602</u>

#### Latest Financial Report

No audit opinion expressed—financial statements prepared by McLeod, Dickson & Co. at December 31, 1964.

#### Major Assets

Accounts receivable (17% allowance).....	\$1,930,140
Inventories at cost.....	765,241
Fixed assets—at cost.....	963,671

#### Major Liabilities

Accounts payable, accruals and outstanding cheques.....	\$1,008,048
Loans payable.....	3,804,260
Debentures and mortgages payable.....	635,015
Due to Commodore Sales Acceptance.....	\$3,968,450
Aurora Leasing.....	356,158
	<u>\$4,324,608</u>
Book value of net tangible assets (deficiency).....	(\$1,646,858)
Current position (working capital deficiency).....	(\$2,099,904)
Recent earnings (loss).....	(\$1,563,559)
Discount—	
Accounts receivable seem to have been written-down to a fair value.....	Nil
Inventories—say 20% discount for realizability.....	\$ 153,000
Fixed assets—inflated value of Cerametal purchase.....	561,000
Fixed assets—no depreciation taken—a write-down of 50% would seem reasonable (after deducting Cerametal inflation).....	201,000
	<u>\$ 915,000</u>
Discounted net tangible assets (deficiency).....	Say (\$2,560,000)

#### Allowance for Bad Debts

In view of the insolvency of this account since its inception of dealings with Aurora Leasing, the lack of complete security for the loan, and the poor operating results, this account could be considered, at best, on an optimistic liquidation basis.

On liquidation the creditors might expect to realize at the discounted value of tangible assets, as follows:

Discounted tangible assets.....	\$3,031,133
Less: Outstanding cheques and preferred creditors.....	\$ 167,391
Secured Creditors—	
Industrial Acceptance mortgage.....	174,576
Aurora Leasing debenture.....	350,000
Commodore Sales—assigned receivables.....	1,930,140
Commodore Sales debenture (face value \$750,000)—balance of available assets.....	409,026
	<u>\$3,031,133</u>
Available for unsecured creditors.....	<u>Nil</u>

Aurora Leasing could expect a full recovery on its debenture loan.

On its term loan releases it is in a position tantamount to loaning on the security of fixed assets to the extent that if it could realize full book value on the assets to be liquidated it would be fully secured. In the event of insolvency it would be prudent to allow a discount of at least 20% for loss on liquidation of leased assets.

Allowance required—about 20% of \$383,444, or say.....	<u>\$ 75,000</u>
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# Aurora Leasing Corporation Limited—(Continued)

## Debtor—VALLEY FARM AND ENTERPRISES LIMITED

Balance Receivable at December 31, 1964.....	<u>\$ 839,860</u>
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### Latest Financial Report

Interim financial statements prepared by Wagman, Fruitman & Lando at April 30, 1965. Last annual report—unaudited—prepared by Wagman, Fruitman & Lando at June 30, 1964.

### Major Assets (June 30, 1964)

Notes and loans receivable.....	\$ 826,617
Fixed assets—land.....	433,365
other.....	<u>119,126</u>

### Major Liabilities (June 30, 1964)

Notes payable.....	\$1,183,500
Mortgage payable—Hilltop Holdings.....	42,546
C. S. A.....	<u>129,332</u>

Book value of net tangible assets (deficiency).....	(\$ 163,100)
Current position (working capital deficiency).....	(\$ 586,257)
Most recent earnings (loss).....	<u>(\$ 136,292)</u>

### Discount—

#### Loans receivable

Canada Motor Products (Toronto) Limited (no distribution to unsecured creditors).....	\$ 60,000
Canada Motor Products (Blackstone) Limited (bankrupt—no assets available).....	25,000
Associated Canadian Holdings Limited (45% allowance estimated for unsecured loans, or say.....	155,000
Dallas Holdings Limited (57% allowance estimated for unsecured loans, or say.....	100,000
Cimcomy of Canada Limited (20% allowance estimated for unsecured loans, or say.....	20,000
Real Estate deposit—due from George Blacklock (insufficient personal assets to pay—allow say 50%).....	<u>45,000</u>

\$ 405,000

### Fixed assets

Farming operations ceased in 1964—a 1962 appraisal of property values showed an \$82,700 value.	
It would be appropriate to discount fixed assets by say 50%, or.....	<u>275,000</u>

\$ 680,000

Discounted net tangible assets at June 30, 1964 (deficiency).....	<u>(\$ 843,100)</u>
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### Allowance for Bad Debts

Total assets at June 30, 1964.....	\$1,379,108
Less: Discount.....	\$ 680,000
Receivable from Hilltop Holdings Limited offset by mortgage payable.....	<u>42,547</u>

\$ 656,561

Less: Mortgage payable to Commodore Sales.....	<u>129,332</u>
--	----------------

Assets available for unsecured creditors.....	<u>\$ 527,229</u>
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Total unsecured creditors (excluding Hilltop mortgage offset).....	<u>\$1,370,733</u>
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Percentage available for unsecured creditors—38½%

Allowance required (61½% of \$839,860)—\$516,514, say.....	<u>\$ 516,000</u>
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## APPENDIX H

### Aurora Leasing Corporation Limited—(Continued)

#### Debtor—FREDERICK'S DEPARTMENT STORE LIMITED

Balance Receivable at December 31, 1964—Notes including interest .....	\$ 383,264
Add: Term accounts re leases .....	83,809
Total amount receivable at December 31, 1964 .....	<u>\$ 467,073</u>
<b>Latest Financial Report</b>	
Audited financial statements prepared by Wagman, Fruitman & Lando as at January 31, 1964 (Exhibit 260)	
<b>Major Assets</b>	
Inventory .....	\$ 300,462
Investment in F. C. Adams Ltd. (wholly-owned subsidiary) at cost less substantial provision for possible losses .....	89,708
Intangibles .....	44,656
<b>Major Liabilities</b>	
Bank overdraft, accounts payable and accrued .....	\$ 80,495
Notes payable .....	194,000
Debentures—	
Secured by a floating charge on the operations and assets of the Company (payable to Adelaide) .....	600,000
Equity (deficit) .....	(\$ 422,936)
Book value of net tangible assets (deficiency) .....	(\$ 467,592)
Latest earnings (loss for year) on sales of \$1,315,541 .....	(\$ 314,649)
<b>Commitments—</b>	
25 year lease of London store premises at annual rental of \$110,000 (1961) .....	\$2,502,500
lease of store equipment and fixtures from Aurora (1961 and 1963) .....	176,628
Book value of net tangible assets (deficiency)—as above .....	(\$ 467,592)
<b>Add</b>	
Provision for possible losses in event of liquidation or sale—Inventory—50% .....	150,000
Investment in F. C. Adams (see note below) .....	
Book value as above .....	\$ 89,708
Estimated realizable value .....	30,000
	<u>59,708</u>
Discounted net assets (deficiency) .....	<u>(\$ 677,300)</u>

#### NOTE

##### Evaluation of Investment in F. C. Adams

Auditor's note to financial statements indicates that book value of net tangible assets as at December 31, 1963 is only \$62,392. Considering that the Company's latest reported operating results are a loss of \$3,827, realizable value on sale or liquidation is estimated at 50%, or \$30,000.

##### Allowance Requirements

Although there is evidence in the Wagman files (Exhibit 719) that the firm was enquiring regarding an audit for the year ended January 31, 1965, there is no evidence that an audit actually was undertaken. However, based on the review for the previous year, it could reasonably be assumed that conditions had not improved in the interim.

Provided 100% on demand notes of \$383,264 .....	\$ 383,264
Provide 40% on term accounts re leased equipment of \$83,809 .....	33,524
	<u>\$ 416,788</u>
Say .....	<u>\$ 417,000</u>

# Aurora Leasing Corporation Limited—(Continued)

## Debtor—ASSOCIATED CANADIAN HOLDINGS LIMITED

Balance Receivable at December 31, 1964.....	<u>\$1,122,597</u>
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### Latest Financial Report

Audited financial statements prepared by Wagman, Fruitman & Lando at June 30, 1964 (Harry Wagman is reported as an officer of the Company)

### Major Assets

Securities at cost.....	\$4,412,808
-------------------------	-------------

### Major Liabilities

Bank.....	\$ 225,000	
Brokers Accounts Payable.....	346,087	
Other Accounts Payable.....	152,867	
Notes Payable:		
British Mortgage & Trust.....	1,438,500	
Trans Commercial Acceptance.....	30,000	
Aurora Leasing.....	915,000	
Dallas Holdings.....	113,122	
Valley Farm.....	346,519	
Equity.....	912,042	
Book value of net tangible assets.....		<u>\$ 910,007</u>
Current Position.....		<u>\$ 910,007</u>
Most Recent Earnings.....		<u>(\$ 192,558)</u>

### Allowance Requirements

No allowance appears to be required based on the current market value of securities at the statement date and the 20% equity 'margin' in the Company.

However, as pointed out in the schedule covering the 1963 account, not only were Walton, Wagman & Co. the accountants and auditors of the Company, but Harry Wagman was a director, signing officer and secretary of the Company. The firm of Walton, Wagman & Co. and its successor firm were therefore in an excellent position to obtain full knowledge of the Company's affairs at any time.

The allowance requirements are, therefore, estimated as follows:

Loans outstanding, including interest.....	\$1,112,597	
Secured portion, per attached schedule.....	\$ 578,000	
Unsecured portion \$544,597 at say 55% recoverable.....	299,528	<u>877,528</u>
Apparent deficiency.....		<u>245,069</u>
Allowance required, say.....		<u>\$ 250,000</u>

# APPENDIX H

## ASSOCIATED CANADIAN HOLDINGS

### Estimated Valuation of Assets Available to Creditors as at December 31, 1964

	<i>Book Value</i>	<i>Values Estimated by Commission</i>	<i>Basis of Evaluation</i>
<b>Assets:</b>			
Cash.....	\$ 3,796	\$ 3,800	
Securities—			
390,024 shares of Commodore Business Machines.....	1,457,853	900,000	Note (a)
5,750 shares Atlantic.....	107,600	107,600	Note (b)
Commodore Business Machines debentures.....	9,855	9,000	
Commodore Business Machines debenture—pledged....	237,500	237,500	
100,000 Dale Estate shares.....	300,000	180,000	Average Market
Arcan debentures.....	350,000	175,000	50% Allowance
200,000 shares Five Wheels.....	750,000	380,000	Approximate book value
200,000 shares Lucayan Beach.....	1,200,000	1,200,000	Cost
Interest.....	31,298	15,000	50% Allowance
Notes receivable.....	29,200	29,200	
	<u>\$4,477,102</u>	<u>\$3,237,100</u>	
<b>Deduct Liabilities Apparently Secured:</b>			
Banks and brokers.....	\$ 571,087	\$ 571,100	
British Mortgage & Trust.....	1,438,500	1,438,500	
Aurora			
10,000 shares Commodore Business Machines.....	40,000	23,000	\$2.30
200,000 shares Five Wheels.....	750,000	380,000	
Arcan debenture.....	350,000	175,000	
Less surplus to requirements.....	(17,403)		
	<u>\$3,132,184</u>	<u>\$2,587,600</u>	
<b>Assets available for unsecured liabilities.....</b>	<u><b>\$1,344,918</b></u>	<u><b>\$ 649,500</b></u>	
<b>Unsecured Liabilities:</b>			
Dallas & Valley Farm.....	\$ 459,641	\$ 459,600	
Accounts payable.....	152,867	152,900	
Trans Commercial Acceptance.....	30,000	30,000	
Aurora.....	—	544,597	
	<u>\$ 642,508</u>	<u>\$1,187,097</u>	
<b>Estimated net tangible assets.....</b>	<u><b>\$ 702,410</b></u>	<u><b>\$ (537,597)</b></u>	
<b>Assets available per dollar of unsecured liabilities.....</b>	<u><b>\$ 2.10</b></u>	<u><b>\$ 0.55</b></u>	

#### Notes

- (a) Earnings per common share in 1964 per Financial Post Survey of Industrials..... \$ .23  
Suggested price/earnings ratio..... .10  
Suggested valuation per share..... \$2.30  
Number of shares..... 390,024  
Suggested valuation \$897,055, or say..... \$900,000
- (b) Whereas the Trustee's contention is well-founded that the Wagman firm should have known that the Atlantic shares were virtually worthless as at December 31, 1964, for our purposes we are accepting the book valuation.



# Aurora Leasing Corporation Limited—(Continued)

## Debtor—EVERMAC OFFICE EQUIPMENT COMPANY LIMITED

Balance Receivable at December 31, 1964.....	<u>\$2,101,561</u>
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### Latest Financial Report

Unaudited financial statement obtained from the files of Wagman, Fruitman & Lando (Exhibit 1070)—as at February 28, 1965.

### Major Assets

Investment in Hugo Oppenheim und Sohn.....	\$2,254,055
Investment in Pearlsound Distributors Limited.....	52,500

### Major Liabilities

Interest and accounts payable.....	59,671
Loans—Aurora Leasing Corporation Limited.....	2,075,028
Trans Commercial Acceptance Limited.....	233,125
Notes—Pearlsound Distributors Limited.....	11,032
Advances—Commodore Business Machines (Canada) Limited.....	17,898
Equity (Impairment).....	(56,929)
Book value of net tangible assets.....	(59,775)
Recent earnings (loss for 5 months).....	(66,874)
Percentage of Aurora Leasing Corporation Limited loans to total liabilities—90%	

### Allowance Requirements

The collectibility of this account is subject to the future earning power, marketability and/or market or re-sale value of the investment in Hugo Oppenheim und Sohn Nachf. An auditor would be obliged to enquire into the background of this investment; probable results of enquiries as follows:

1. Nature of investment—80% interest in shares of private German bank.
2. Purpose of investment—unknown—this is a curious investment for an office equipment company to make.
3. Who authorized loan by Aurora—presumably Mr. Morgan; the loan has no apparent justification.
4. Security taken for loan—none except promissory notes. There is doubt that these notes ever existed. They have not yet been found after diligent search.
5. Loan repayment schedule or terms—none specified.
6. What use did the German bank make of the funds—to acquire 120,000 common shares of Atlantic Acceptance Limited being 50% of a new issue in November, 1964.
7. What is the real source of funds—the funds had been supplied from Atlantic through Commodore Sales Acceptance Limited, Aurora and Evermac so that Atlantic was in effect financing the purchase of its own capital.
8. Published statements indicate that the German bank had not been a profitable operation—a deficit of DM 328, 622.29 is reflected.
9. Approximately 70% of the German bank's assets at December 31, 1964 were comprised of investments in or advances to the following Canadian companies:

Atlantic Acceptance Limited—81,500 shares.....	DM 5,438,160.85
Commodore Business Machines (Canada) Limited—15,796 shares.....	370,190.31
Trans Commercial Acceptance.....	2,413,663.30
Hugo Oppenheim (Canada) 100% of shares.....	926,325.00
	DM 9,148,339.46
Total assets (excluding deficit).....	DM 13,385,719.41

In view of the above information, an auditor would view the Evermac investment and Aurora's collectibility of the Evermac account with grave concern. An allowance of 50% would not seem unreasonable in the circumstances.

Allowance Required, say.....	<u>\$1,000,000</u>
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## APPENDIX H

### Aurora Leasing Corporation Limited—(Continued)

#### Debtor—TREASURE ISLAND PROPERTIES LIMITED

Balance Receivable at December 31, 1964..... \$1,335,094

##### Latest Financial Report

Unaudited financial statements prepared by Wagman, Fruitman and Lando at March 31, 1965.

##### Major Assets

Accounts receivable (mostly Treasure Island Gardens—see item 6 under Comments below) . . . \$ 491,174  
Fixed assets—no depreciation..... 1,983,403

##### Major Liabilities

Notes payable—Aurora Leasing Corporation Limited..... \$ 610,953  
Mortgage payable—British Mortgage & Trust Co..... 1,100,000  
Mortgage payable—Aurora Leasing Corporation Limited..... 800,000  
Book value of net tangible assets..... (\$75,035)

Current position (working capital deficiency)..... (\$2,060,163)

##### Comments

1. Wagman, Fruitman and Lando were the accountants and auditors for the Treasure Island companies and Harry Wagman apparently was a signing officer.
2. By the end of 1964, both the Treasure Island Properties Limited and the Treasure Gardens Companies had been operating for a year. In contrast with estimated annual profits before taxes of over \$140,000, the Gardens Company suffered a loss of \$137,000 in the eight months ended April 30, 1965.
3. The Properties Company suffered losses of nearly \$65,000 in the year ended March 31, 1965.
4. The financial condition of the Properties' major tenant, Frederick's Department Store Limited, had deteriorated further.
5. The Aurora account had risen to \$1,335,094 with no interest payments having been made and secured only by a mortgage for \$800,000. This mortgage for \$800,000 ranks second in priority to the mortgage for \$1.1 million held by British Mortgage & Trust Co. and to the leasehold mortgage for \$750,000 held by British Mortgage on Treasure Island Gardens Limited. (Royal Commission transcript page 2055.)
6. The working paper files of Wagman, Fruitman and Lando for the Gardens Company (Exhibit 744) show an amount of \$474,596 owing to the Properties Company as at March 31, 1965.  
In view of the recent heavy losses of the Gardens Company, its insolvent position, and the priority of British Mortgage in case of exercise by that Company of its right under the leasehold mortgage, the account receivable from the Gardens Company should be fully reserved by the Properties Company.

##### Allowance Requirements

In the light of the above information and of the apparent difficulties facing the Properties Company, cognizance should be taken of the real possibility of forced discontinuance of the project and of foreclosure by the holder of the first mortgage.

Allow the loan amount in excess of the second mortgage of \$800,000 which is \$535,094, or say..... \$ 550,000

## Aurora Leasing Corporation Limited—(Continued)

### Debtor—TREASURE ISLAND GARDENS LIMITED

Balance Receivable at December 31, 1964.....	<u>\$50,750</u>
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#### Latest Financial Report

Unaudited financial statements prepared by Wagman, Fruitman and Lando at April 30, 1965.

#### Major Assets

Fixed assets—no depreciation.....	\$1,071,028
Intangibles.....	81,309

#### Major Liabilities

Accounts payable.....	79,700
Notes payable (Note b).....	554,204
Mortgage payable (Note a).....	750,000
Deficit.....	(180,851)

Book value of net tangible assets.....	<u>(\$262,160)</u>
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Current position (working capital deficiency).....	<u>(\$127,424)</u>
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Recent earnings (loss for eight months).....	<u>(\$137,413)</u>
--	--------------------

Apparent insolvency would require probably a 100% allowance owing to the unsecured nature of the loan and the possibility of severe asset write-down on sale.

Allowance required.....	<u>\$ 50,000</u>
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#### Notes

(a) Mortgage to British Mortgage & Trust Co. of leasehold interest.

(b) Details as per Wagman working papers—Exhibit 744:

Payable to Aurora Leasing Corporation Limited.....	\$ 50,000
Payable to Treasure Island Properties Limited.....	504,204
	<u>\$ 554,204</u>

### Debtor—DONALD REID IN TRUST RE WHITE OAKS SHOPPING CENTRE

Balance Receivable at December 31, 1964.....	<u>\$330,727</u>
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#### Latest Financial Report

No financial statements prepared, except on pro forma basis (see below).

#### Comments

The following information is based on evidence which has already been submitted to the Commission.

All companies, including the White Oaks Shopping Centre operation, had accumulated operating deficits. The I.A.C. Capital Funds mortgage for \$1.5 million was to become due in September of 1965.

A plan is explained in a memorandum dated November 6, 1963, prepared by Mr. Wagman, whereby South Wellington Properties Limited would obtain ownership of the Treasure Island Companies and Frederick's Department Store Limited as well as owning the assets and property known as the White Oaks Shopping Centre. This plan was still in effect at December 31, 1964. All of the losses or accumulated deficits of the above companies were to be offset by inter-company sale of assets at higher than book value or by increasing the book values based on an appraisal and establishing an appraisal surplus.

The series of transactions envisaged required refinancing as indicated by a Pro Forma balance sheet obtained from the Wagman files (Exhibit 1489).

(NOTE: This refinancing scheme was not achieved)

#### Allowance Requirements

In view of the difficulties facing the combined Treasure Island-White Oaks project and the low priority of the Aurora loan to White Oaks Shopping Centre (Aurora was virtually unsecured because the mortgagor had not covenanted to make payment) an allowance of 85% would seem to be warranted, or say.....	<u>\$280,000</u>
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## APPENDIX H

### Aurora Leasing Corporation Limited—(Continued)

#### Debtor—ALLIED TOWERS MERCHANTS LIMITED

Balance Receivable at December 31, 1964—Term accounts re leases .....	\$ 425,162
Add: Sinking fund debenture receivable .....	51,500
Total amount receivable at December 31, 1964 .....	<u>\$ 476,662</u>

#### Latest Financial Report

Audited financial statements issued by Clarkson, Gordon & Co. at December 31, 1964

#### Major Assets

Cash .....	\$1,723,067
Accounts receivable .....	627,804
Inventories .....	4,470,035
Fixed assets .....	1,793,482
Intangible assets .....	563,169

#### Major Liabilities

Accounts payable .....	\$3,770,270
Purchase contracts payable .....	681,078
Sinking fund debenture .....	\$1,000,000
Shareholders' equity .....	\$1,875,391
Net tangible assets .....	<u>\$4,312,222</u>

#### Allowance for Bad Debts

This Company was set up as a result of an accepted Proposal under the Bankruptcy Act in regard to the affairs of Towers Marts and Properties Limited.

Since Allied's assumption of the Aurora leases, payments have been regular. In view of the heavy capitalization of the Company, the regular payments and the security in the form of the assets being leased no allowance would be warranted.

Allowance required .....	<u>Nil</u>
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# Aurora Leasing Corporation Limited—(Continued)

## Debtor—FREEPORT INTERNATIONAL COMPANY LIMITED

Balance Receivable at December 31, 1964—Principal .....	\$1,540,000
Interest .....	215,014
Total amount receivable at December 31, 1964 .....	<u>\$1,755,014</u>

### Latest Financial Report

Unaudited financial statement as at October 1, 1963.

### Major Assets (U.S. Funds)

Investments—	
345,000 Molly Corporation of Canada Limited .....	\$4,534,191
10,000 Alpha Aracon .....	36,948
53,570 Lucayan Beach Hotel .....	150,000

### Major Liabilities

Accrued charges and bank overdraft .....	\$ 75,856
Shareholders deposits .....	954,007

Equity .....	\$3,681,378
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The above unaudited financial statements depend almost entirely on the value of Molly Corporation of Canada Limited stock in assessing the value of equity and shareholders deposits.

Based on the Molly Corporation of Canada prospectus (Exhibit 176) earnings in the five years from 1959 to 1963 ranged between \$94,000 and \$130,000 or, based on 692,500 shares outstanding, between 13¢ and 20¢ per share.

There seems to be no justification in the earnings record or indicated future plans of the Molly Corporation to value its shares at more than ten times recent earnings or, say \$2.00. 345,000 shares would then be valued at \$690,000. Since this investment is 49% of the equity of Molly Corporation of Canada Limited—book value might be a more appropriate measure. This viewpoint would show a value of approximately \$640,000 for the investment.

If we adopt a liberal view and value the investment at twenty times recent earnings or \$1,380,000 then the investment shown in the Freeport balance sheet should be written down by \$3,154,191. Discounted tangible net assets would be .....

\$ 526,887

Because of the inflated balance sheet, background information as to the loan to Freeport and the security offered would be necessary. The following information is assumed to have been available to the Wagman firm:

#### 1. Purpose of loan—

- (a) \$250,000 to settle loan with E. D. Sassoon Banking Co. Ltd. and thereby obtain release of 250,000 shares of Lucayan Beach Hotel Company Limited which had been lodged with Sassoon as security.
- (b) \$1,290,000 to lend to Lucayan Beach Hotel Company Limited which that Company needed to close a transaction for purchase of the Lucayan Beach Hotel.

#### 2. Security taken—

250,000 shares of Lucayan Beach Hotel Company Limited plus a personal guarantee of Allen S. Manus, President of Freeport International Company Limited.

#### 3. As security for the \$1,290,000 loan obtained from Freeport, Lucayan Beach provided Freeport with a debenture. Freeport did not assign this debenture to Aurora; rather, they assigned it to Cecil Manus, brother of Allen S. Manus.

In other words, Cecil Manus would rank ahead of Aurora in respect of priority of claims against the hotel.

#### 4. Freeport made no payments during 1964 on account of principal or interest (in fact no payments of interest were ever made).

#### 5. The Lucayan Beach Hotel Company Limited was experiencing operating and financing difficulties. The value of the security to Aurora of 250,000 shares of the Hotel Company was therefore in question.

### Allowance Requirements

In view of the above information and the indications of a virtual stripping of security to Aurora (notwithstanding the personal guarantee of Allen S. Manus which, in itself, might indicate weakness rather than strength in Aurora's position as lender) an auditor would probably require a bad debt provision, say .....

\$ 750,000

## APPENDIX H

### Aurora Leasing Corporation Limited—(Continued)

#### Debtor—DAYLITE OF GRAND BAHAMA COMPANY LIMITED

Balance Receivable at December 31, 1964..... \$ 263,190

##### Latest Financial Report

Financial statements prepared and audited by Walton, Wagman & Co. at March 31, 1964.

##### Major Assets (U.S. Funds)

Land held for resale.....	\$ 132,387
110 efficiency units—completed.....	1,000,000
Marina under construction.....	533,057
Motel and other structures.....	600,300
Construction supplies.....	51,000

##### Major Liabilities (U.S. Funds)

Accounts payable.....	\$ 834,388
Due to Five Wheels Limited.....	300,000
Grand Bahama Development Company Limited.....	200,000
Subordinated notes payable—7% due March 31, 1967.....	700,000
Stock subscribed for (proceeds of this issue were never paid in by the shareholders—therefore the equity shown on the balance sheet must be regarded as an unsecured liability).....	\$ 308,000

Net tangible assets at March 31, 1964..... Nil

##### Major liabilities at December 31, 1964—estimated

Due to Dalite Corporation (Canada) Limited—approx.....	\$6,700,000
Owing to Aurora Leasing Corporation Limited.....	263,190
Owing to Five Wheels Limited.....	300,000
	<u>\$7,263,190</u>

##### Apparent Security for Aurora Loan

11,670 old shares of Lucayan Beach Hotel Company Limited registered in the names of Messers. Wagman, Fruitman, Lando and others.

##### Allowance for Bad Debts

This Company was owned 50% by Dalite Corporation and 50% by Associated Canadian Holdings. H. Wagman was a signing officer of the Company. The auditors had ample knowledge of the lack of equity in the company and security to back up the large loans made to Daylite of Grand Bahama Co. Ltd. by Aurora and others. Furthermore, they were aware that repayments had not been made to Five Wheels Limited in accordance with the Marina purchase contract.

Through the audit of Dalite Corporation (Canada) Limited it would have appeared doubtful that Dalite could collect its billings to Daylite of Grand Bahama Company Limited for the following reasons:

1. No contracts between Dalite and Daylite of Grand Bahama seemed to be in existence.
2. The Dalite billings to Daylite of Grand Bahama were applicable to projects on which Daylite had obtained no contracts with potential purchasers or on which costs were running in excess of fixed price contract amounts.

In addition, the expected and ultimate purchaser of those projects—the Lucayan Beach Hotel Company Limited—in whom Daylite of Grand Bahama Company Limited was a heavy investor, was experiencing operating losses and financing problems.

In view of the foregoing, the absence of complete financial statements, the absence of adequate security, and the pledging of the major portion of Daylite of Grand Bahama Company Limited's investment holdings in the shares of Lucayan Beach to secure Commodore Sales Acceptance Ltd. advances, an allowance of about 50% would be in order.

Allowance required, say..... \$ 130,000

# Aurora Leasing Corporation Limited—(Continued)

## Debtor—TOWERS MARTS AND PROPERTIES LIMITED

Balance Receivable at December 31, 1964 .....	\$ 65,982
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### Latest Financial Report

No audit opinion expressed—prepared by Clarkson, Gordon & Co. at September 30, 1964. The Company continued under the supervision of the Clarkson Company pursuant to an accepted bankruptcy proposal.

A major provision of the accepted proposal was that unsecured creditors receive 50% of their claims in unsecured notes and 50% in shares at \$2.00 per share.

Aurora Leasing transferred \$546,637 owing under leases by Towers Marts to the newly formed Allied Towers Merchants Limited. The balance due under the leases remained unsecured debt of Towers Marts and Properties.

This claim would entitle Aurora to \$33,000 in unsecured notes and 16,500 shares of Towers Marts.

Net tangible assets (deficiency) .....	(\$3,006,039)
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### Allowance for Bad Debts

The market price of Towers Marts' shares in December 1964 and January 1965 varied between 45¢ and 60¢ per share. A fair value for this equity would be 16,500 shares at 55¢ each or \$9,075.

There was no market for the unsecured notes, Investment dealers had suggested values of 25% of face value.

In view of the uncertainty surrounding the value of these notes an allowance of 50% would be warranted.

#### Allowance required:

Balance receivable .....	\$ 65,982
Less: Share value .....	\$ 9,075
unsecured note value .....	16,500
Estimated loss .....	\$ 40,407
Allow, say .....	\$ 40,000

## APPENDIX H

### Aurora Leasing Corporation Limited—(Continued)

#### Debtor—CONARM DEVELOPMENTS LIMITED

Balance Receivable at December 31, 1964..... **\$ 956,835**

#### Latest Financial Report

Financial statements as at January 31, 1965 audited by Armstrong, Cross & Co. of Ottawa. Report is dated April 21, 1965.

#### Major Assets

Accounts receivable.....	\$ 40,122
Due from an associated company.....	29,784
Preferred stock subscriptions.....	30,000
Inventory of land and homes under construction.....	2,505,934

#### Major Liabilities

Bank advances and accounts payable.....	\$ 360,813
Mortgage principal payments due—current.....	360,000
Long-term:	
Mortgages.....	1,150,215
Debenture—due August 1967.....	15,000
Notes payable to Aurora—10%.....	1,038,835
Equity (Impairment).....	(187,545)
Book value of net tangible assets (includes capitalized interest charges).....	(283,884)
Recent earnings (loss for year not including deferred charges and capitalized interest of \$218,055).....	(24,089)

#### Allowance Requirements

The following points have a bearing on the evaluation of the account with Aurora:

1. The account represents nearly 7½% of total loans outstanding exclusive of lease accounts.
2. The account is evidenced only by a series of notes with no security taken.
3. The Conarm published statements reflect the item as a long-term liability.
4. The Conarm published statements indicate an immediate shortage of net tangible assets to cover the Aurora notes, based on book valuation of assets.

Confronted with the above information, an auditor would probably consider it necessary to look into Conarm's background and into the nature of its land investments. On enquiry, he might have been provided with a schedule outlining Conarm's long-range forecasts (Exhibit 1956). These forecasts reflect estimated losses in the first three years of operation of \$635,000 with a virtual break-even and turn-around estimated to commence in 1966 for an eventual minimum return of \$3 million.

Income for 1963 and 1964 combined was forecasted at \$1,590,000 whereas the published statement for those years show combined income to be only \$407,381. This indicates that the project must have been badly behind schedule and may reflect operating problems of a serious nature; the auditor's report makes no reference to this point, however.

#### Conclusions

Aurora is financing the forecasted losses in a land and home development project with at least usual risk inherent in such enterprises. The payback period was originally estimated to be in excess of four years and the project appears to be significantly behind schedule.

An allowance of at least 30% would seem prudent in the above circumstances, say..... **\$ 300,000**

#### Comments

A schedule available in the files of the Commission (Exhibit 1960) shows Harry Wagman to be a registered shareholder of Conarm Developments Limited, holding 3,000 shares out of 10,000 outstanding common and 3,000 shares out of 30,000 outstanding preferred (the Preferred shares are shown as registered to Harry Wagman—in Trust). By testimony of M. Della Scala (Volume 28, Page 3796) Harry Wagman was to hold these shares in trust for Aurora.



## Aurora Leasing Corporation Limited—(Continued)

### Debtor—DALLAS HOLDINGS LIMITED

Balance Receivable at December 31, 1964..... \$ 492,235

#### Security

Apparently unsecured

#### Latest Financial Report

Unaudited financial statements prepared by Wagman, Fruitman & Lando at December 31, 1964.

#### Major Assets

Notes and loans receivable.....	\$ 153,121
Securities—at lower of cost or market.....	563,796

#### Major Liabilities

Notes payable.....	879,688
Aurora's percentage of total liabilities.....	56%
Book value of net tangible assets.....	(156,462)
Most recent earnings (loss).....	(23,331)

#### Note

Notes and loans receivable include no provision for bad debt losses.

#### Allowance Requirements

Although Wagman, Fruitman & Lando's report indicates that they did not perform an audit of the Company, they nevertheless had access to the books and records of the Company and were in a position to obtain any financial information they required to form an opinion regarding the collectibility of the Dallas account with Aurora.

The allowance requirements may therefore be estimated as follows:

Net tangible assets available for unsecured creditors per attached schedule—\$0.43 per dollar

Allowance requirements—57%, or \$280,000.

Allow, say.....	<u>\$ 300,000</u>
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# APPENDIX H

## Aurora Leasing Corporation Limited—(Continued)

### DALLAS HOLDINGS LIMITED

#### Estimated Valuation of Assets Available to Creditors as at December 31, 1964

	<i>Dec. 31/64</i> <i>Book Value</i>	<i>Evaluation</i>	<i>Basis of</i> <i>Evaluation</i>
<b>Assets:</b>			
Bank.....	\$ 13,076	\$ 13,000	
Note—Associated Canadian Holdings unsecured.....	113,122	62,000	\$0.55 per Associated Canadian Holdings schedule
Interest—Associated Canadian Holdings.....	16,745	9,000	
—J. Frame & others.....	4,212	—	
Note—J. Frame.....	40,000	10,000	No payments to date
Mortgage—J. Frame.....	39,309	39,000	Secured
Bonds—Commodore Business Machines.....	70,307	70,000	
20,000 shares Commodore Business Machines.....	80,000	46,000	Note (a)
Commodore Business Machines warrants.....	17,700	9,000	Note (b)
7,625 Dale Estate shares.....	13,344	13,000	Market
Dominion Leaseholds shares.....	52,974	9,000	Note (c)
Ram Petroleum shares.....	85,000	27,000	Note (d)
Molly Corporation shares—10,000.....	157,500	40,000	Note (e)
10,000 shares Lucayan Beach.....	55,500	39,000	Note (f)
Other.....	47,946	47,000	
Arcan Corporation shares.....	1,025	—	See Arcan schedule
N.G.K. Investments shares.....	1,200	—	See N.G.K. schedule
<b>Total assets.....</b>	<b>\$808,960</b>	<b>\$433,000</b>	
Deduct brokers accounts apparently secured.....	38,016	38,000	
<b>Assets available for other creditors.....</b>	<b>\$770,944</b>	<b>\$395,000</b>	
Unsecured creditors.....	927,406	927,000	
<b>Net tangible assets.....</b>	<b>(\$156,462)</b>	<b>(\$532,000)</b>	
<b>Assets available per dollar of unsecured liabilities.....</b>	<b>\$ 0.83</b>	<b>\$ 0.43</b>	

#### Notes

- Valued at 10 time earnings of \$0.23 per common share as reported in Financial Post Survey of Industrials—\$2.30.
- Discounted by 50% based on evaluation of shares per (a) above.
- Based on the published financial statements of Dominion Leaseholds Ltd. as at October 31, 1964 there seems to be little justification for valuing the shares at more than their book value of 3¢ per share.
- Based on unaudited financial statements as at December 31, 1964, which reflect a loss for the year of \$54,000, the shares are valued at the apparent book value of net tangible assets—27¢ per share.
- By the end of 1964 Molly Corporation had decided to liquidate and to make distributions to its shareholders in terms of cash and shares of Adobe Brick and Supply Co. (a Delaware Company). Valuation of shares estimated at \$4.00.
- H. Wagman had received copies of reports on unfavourable conditions at the hotel and in other areas of the Lucayan operation. Based on this information, a reserve of say 30% would seem prudent.

## Aurora Leasing Corporation Limited—(Continued)

### Debtor—BELFIELD INVESTMENTS LIMITED

Balance Receivable at December 31, 1964 ..... \$ 899,014

#### Security

Second and third mortgages on sundry property.

#### Latest Financial Report

Estimated statement of affairs prepared as of October 7, 1964 by Trustee in bankruptcy.

#### Major Assets

Cash .....	\$ 22,000
Autos, furniture and equipment .....	16,858
Land .....	91,028
Buildings, less depreciation of \$33,399 .....	422,602
Due from affiliated companies .....	\$1,404,905

#### Major Liabilities

Secured creditors (real estate mortgages) .....	394,000
Preferred creditors .....	12,043
Unsecured creditors .....	2,380,159

Deficit..... (828,719)

Book value of net tangible assets..... (828,719)

Present status—in bankruptcy.

#### Allowance Requirements

The Trustee indicates in a letter to creditors dated October 15, 1964, that it may be possible to service the mortgages if certain concessions are obtained and favourable occupancy and rental conditions permit. Considering the low priority of the securities, however, an allowance of at least 10% would seem to be prudent..... \$ 90,000

## APPENDIX H

### Aurora Leasing Corporation Limited—(Continued)

#### Debtor—N.G.K. INVESTMENTS LIMITED

Balance Receivable at December 31, 1964..... \$572,420

##### Latest Financial Report

Audited financial statements prepared by Wagman, Fruitman & Lando at December 31, 1964.

##### Major Assets

Accounts receivable (allowance 20%).....	\$ 160,056
Securities.....	395,376
Investments—	
Mavety Film Delivery Ltd.....	256,125
Frederick's Department Store.....	185,614
Commodore Business Machines.....	237,500

##### Major Liabilities

Accounts payable.....	\$ 128,680
Notes payable.....	1,015,000
Equity.....	107,914

Loan from Aurora as a percentage of total liabilities—50%

NOTE: The above figures are before consolidation of those of Mavety Film Delivery Ltd. a wholly-owned subsidiary.

Net tangible assets—N.G.K. as at December 31, 1964..... \$97,514

##### Recent Earnings

N.G.K.—for year ended December 31, 1964.....	6,914
Mavety Film—for year ended April 30, 1964.....	26,448
	<u>\$ 33,362</u>

##### Allowance Requirements

Provision for possible losses on the following:

Accounts receivable—	
On Canada Motor Products (Blackstone) account of approximately \$139,000—per attached schedule.....	\$130,000
On balance of approximately \$21,000—10%.....	2,100
	<u>\$132,100</u>

##### Securities—

19,720 shares Lucayan Beach Hotel at \$6.39 per share or.....	\$ 126,111
Less estimated realizable value of say \$4.00 per share (see Dallas schedule).....	78,880
	<u>\$ 47,231</u>
51,700 shares Analogue Controls at \$5.20 per share.....	269,265
Less estimated realizable value	
Although the stock traded between 55¢ and \$6.12 per share during 1964 Wagman financed a controlling block purchase through Aurora Leasing at \$1.45 in October of 1964. A reasonable value would be \$1.45. However, in early 1965 Canada Motor Products did take N. G. K. out of the stock at \$269,265 and this value will stand for our purposes.....	269,265
	<u>—</u>

##### Investments—

Mavety Film—book value of \$256,125 is close to 10 times reported earnings for the year ended April 30, 1964. Book value would therefore seem to be a reasonable indication of realizable value—allowance Nil.....	—
Frederick's—value Nil—see schedule.....	<u>\$185,614</u>

##### Commodore Business Machines—

this item is apparently a debenture for \$250,000 which was pledged as security for the loan from British Mortgage & Trust. See below for treatment for purposes of bad debt provision.....	<u>—</u>
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Total provision for possible losses..... \$364,945

Book value of net tangible assets..... \$ 97,514

Deduct provision for possible losses as above..... 364,945

Estimated deficiency of assets for unsecured creditors..... (267,431)

Total unsecured creditors (\$1,143,681 less \$250,000 secured to British Mortgage)..... 893,681

Amount owing to Aurora Leasing..... 572,420

Percentages owing to Aurora Leasing—64%

Apparent deficiency of assets to cover Aurora loan—64% of \$267,431 = \$171,136.

Allowance required, say..... \$170,000



## Aurora Leasing Corporation Limited—(Continued)

### Debtor—N.G.K. INVESTMENTS RE ACCOUNT OF CANADA MOTOR PRODUCTS (BLACKSTONE) LTD.

Balance Receivable at December 31, 1964—Principal.....	\$125,000
—Interest.....(approx.)	14,000
	<u>\$139,000</u>

#### Latest Financial Report

Unaudited financial statements as at December 31, 1963 obtained from files of Walton, Wagman & Co. (Exhibit 708).

#### Allowance Requirements

As mentioned in our report on this Company as at December 31, 1963, the rate of loss at which the Company was operating would very quickly extinguish its assets. Based on a copy of a letter prepared for signature of H. Wagman dated April 7, 1965 and addressed to the Workmen's Compensation Board (Exhibit 708), the Company did in fact cease to operate in early May 1964.

Presumably, any assets remaining must have gone to the banks and/or other preferred creditors. A 100% allowance for bad debt losses would therefore be justified based on the above. However, as noted in our 1963 report, there were indications that the following securities, presumably owned by C. P. Morgan, had been lodged by Canada Motor Products (Blackstone) with N.G.K. who, in turn, had lodged them with Aurora:

300,000 shares Dominion Leaseholds at estimated realizable value of 3¢ per share (see Dallas Holdings schedule) . .	\$ 9,000
199,400 shares of Arcan Corporation at estimated realizable value of Nil. ....	<u>—</u>

Balance owing to N.G.K. Investments at December 31, 1964.....	\$ 9,000
	139,000
Allowance requirements.....	<u>\$130,000</u>

### Debtor—MORTGAGE TRUST & SAVINGS CORPORATION (Bahamas) LIMITED

Balance Receivable at December 31, 1964.....	\$255,410
--	-----------

This Company was incorporated December 23, 1963.

There are no details available regarding its financial position.

The loan was made in order to finance the purchase of 332,000 shares of Analogue Controls Inc. at \$1.45 per share on a Toronto Stock Exchange wholesale trade.

These shares were subsequently picked up by H. Wagman with 75,000 being retained as Aurora Leasing collateral and 75,000 being retained as Commodore Sales collateral, and the balance given to C. P. Morgan.

Aurora's total loan was.....	\$255,410
Available collateral—150,000 shares at \$1.45. ....	217,500

Balance of loan—unsecured. ....	<u>\$ 37,910</u>
---------------------------------	------------------

Market value of Analogue at the end of 1964 was approximately \$5.20 per share.

While it is possible that Mr. Wagman knew of the extensive market manipulation in Analogue stock at this time, it is possible that the value would be judged sufficient to adequately secure the above loan.

Allowance.....	<u>Nil</u>
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## APPENDIX H

### Aurora Leasing Corporation Limited—(Continued)

#### Debtor—MASTINO DEVELOPMENTS LIMITED

Balance Receivable at December 31, 1964.....		<u><u>\$157,300</u></u>
<b>Latest Financial Report</b>		
Financial statements prepared without audit by McLeod, Dickson & Co. of Toronto, as of May 31, 1964. (Report submitted March 11, 1965)		
<b>Major Assets</b>		
Land—Township of Pickering.....		\$220,953
D. H. I. Limited.....(Note)		50,497
<b>Major Liabilities</b>		
Loan.....(Note)		88,800
Mortgage due February 28, 1973.....		188,000
Equity (impairment).....		(\$ 5,907)
Recent earnings (loss for year).....		(\$ 550)
Book value of net tangible assets.....		(\$ 6,072)
<b>Discount—</b>		
100% provision on amount receivable from D. H. I. Limited (see D.H.I. schedule).....	\$50,497	
Land—discount by 10%.....	22,095	
Apparent unrecorded interest owing to Aurora (\$157,300—\$138,497).....	18,803	
Apparent unrecorded interest owing on mortgage—5% of \$188,000.....	9,400	
		<u><u>\$100,795</u></u>
Discounted net tangible assets (deficiency).....		(\$106,867)
<b>Allowance for Bad Debts</b>		
Discounted tangible assets (gross).....		\$173,402
Deduct—secured creditors—mortgage.....		188,000
		<u><u>Nil</u></u>
Available for unsecured creditors.....		
Allowance required—100%, say.....		<u><u>\$157,000</u></u>

#### Note

Loans payable to Aurora Leasing aggregate \$135,000 plus interest accruals. As at December 31, 1963, Aurora's records reflected total loans and interest due from Mastino in the amount of \$140,028; D. H. I.'s records as of the same date reflected an amount owing to Mastino of \$140,069 indicating that Aurora's advances to Mastino were passed on to D. H. I. for operating purposes.

As at May 31, 1964 Mastino's records reflect an amount of \$88,000 owing on "loan", i.e. to Aurora and an amount of \$50,497 due from D. H. I. which would indicate that D. H. I. had returned some of the advances to Mastino. As at December 31, 1964, D. H. I.'s records indicated that their liability to Mastino had been reduced to \$48,972 which would corroborate this.

## Aurora Leasing Corporation Limited—(Continued)

### Debtor—OTTAWA VALLEY AMUSEMENTS LIMITED

Balance Receivable at December 31, 1964..... \$118,334

#### Latest Financial Report

Unaudited financial statements prepared by Robert L. Taylor, C.A. at December 31, 1964.

#### Major Assets

Cash .....	\$ 6,988
Equipment (depreciated nominally by \$8,206) .....	95,945
Vehicle .....	2,100

#### Major Liabilities

Loan from Director .....	\$ 4,900
Aurora Chattel mortgage .....	98,693

Loan from Aurora as a percentage of total liabilities 96%

Book value of net tangible assets..... \$ 55

Discount equipment by 50% to allow for depreciation..... \$ 47,000

Discounted net tangible assets..... (\$ 47,000)

#### Allowance Requirements

Equal to asset deficit less amount owing to Director which is probably subordinated..... \$ 42,000

### Debtor—ARCAN CORPORATION LTD. and its subsidiary CHARCOAL SUPPLY & SALES OF ONTARIO LIMITED

Balance Receivable at December 31, 1964—Arcan Corporation .....	\$ 25,018
—Charcoal Supply & Sales .....	86,803
Total amount receivable at December 31, 1964 .....	<u>\$111,821</u>

#### Latest Financial Report

Audited financial statement issued by Gilbert Barrett & Co. and Touche, Ross, Bailey & Smart  
as at March 31, 1964. (Report dated September 22, 1964)

Security—promissory notes only.

#### Major Assets

Current assets .....	\$435,226
Non-current notes .....	66,750
Fixed assets (depreciation \$395,942) .....	226,045

#### Major Liabilities

Current .....	\$328,206
Long-term .....	565,000
Minority interest .....	42,542

Deficit..... (\$131,384)

Book value of net tangible assets..... (\$207,726)

Current position..... \$107,020

Most recent earnings (loss)..... (\$300,022)

Outlook—unfavourable; the President's letter to the shareholders points out the need for additional funds to finance modernization of plant and facilities before Charcoal Supply can be competitive and profitable.

#### Allowance Requirements

Because of the deficit position of this Company, its consistent loss record and poor outlook, an allowance of at least 50 per cent would appear prudent.

Arcan .....	\$12,000	
Charcoal Supply .....	43,000	<u>\$ 55,000</u>

## APPENDIX H

### Aurora Leasing Corporation Limited—(Continued)

#### Debtor—DON MILLS

Balance Receivable at December 31, 1964..... \$ 75,034

##### Latest Financial Report

No financial data available—the identity of the debtor was unclear—Don Mills appeared to be a partnership which may have included Messrs. Tramiel, Kapp, Morgan, Walton and Wagman.

##### Allowance for Bad Debts

No payments of interest or principal were received since July of 1963. In December 1964 accrued interest was written-off as uncollectible.

In view of the poor repayment history, the absence of security, the inability to collect interest, and the lack of information regarding this account, an allowance of at least 50 % would be warranted.

Allowance required, say..... \$ 40,000

#### Debtor—HEBARD HOLDINGS LIMITED (Account Formerly in the Name of Easy Start Manufacturing Company Limited)

Balance Receivable at December 31, 1964..... \$50,333

##### Latest Financial Report

No financial data available.

Account started in November, 1964.

##### Allowance for Bad Debts

There is no information which could cast doubt on the collectibility of this account.

Allowance required..... Nil

#### Debtor—FUN-A-MARIN LIMITED

Balance Receivable at December 31, 1964..... \$ 26,500

##### Latest Financial Report

Unaudited financial statements—prepared by Wagman, Fruitman & Lando at January 31, 1964.

##### Major Assets

Inventory.....	\$ 4,400
Intangibles.....	5,210
Equipment.....	3,918

##### Major Liabilities

Accounts payable.....	\$ 20,114
Notes payable.....	28,500
Deficit.....	( 34,488)

Aurora loan as a percentage of total liabilities—60%

Book value of net tangible assets..... (\$ 39,699)

Most recent earnings..... (\$ 3,797)

In view of complete insolvency and assets of little value, this entire account should have been written-off.

Allowance required..... \$ 26,500



## **Aurora Leasing Corporation Limited—(Continued)**

### **Debtor—GENERAL SPRAY SERVICE, INC.**

Balance Receivable at December 31, 1964. . . . . \$82,928

This Company was administered under a March 20, 1964 "plan of arrangement" as provided for under Chapter XI of the U.S. Bankruptcy Act.

#### **Allowance for Bad Debts**

The plan of arrangement provided for eventual distribution of 25 per cent of creditors' claims (interest not to be added). Aurora Leasing's claim was for \$75,000 which would lead to a recovery of \$18,750.

In addition, a further 15 per cent distribution was possible if General Spray Service earned profits at a later date.

In view of the precise terms of the creditors' arrangements a write-off of the entire debt in excess of the settlement was warranted.

#### **Allowance required—**

Balance of account receivable. . . . .	\$82,928
Settlement under plan of arrangement. . . . .	\$18,750
Deduct—5% distribution received. . . . .	3,750

Further distributions recoverable (US). . . . .	<u>\$15,000</u>
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Amount recoverable in Canadian funds. . . . .	<u>\$16,200</u>
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Apparent deficiency. . . . .	<u>\$66,728</u>
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Allow, say. . . . .	<u><u>\$65,000</u></u>
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### **Debtor—INGLEWOOD PARK INVESTMENTS LIMITED**

Balance Receivable at December 31, 1964. . . . . \$63,492

#### **Latest Financial Report**

No financial data available.

This account originated as a chattel mortgage on October 1, 1964—it was due March 31, 1965.

#### **Allowance for Bad Debts**

This account was current and there was no reason to doubt its collectibility.

Allowance required. . . . .	<u><u>Nil</u></u>
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APPENDIX H

Aurora Leasing Corporation Limited—(Continued)

Debtor—JOHN BELLI OPERATIONS LIMITED  
(Now OLD ANGELO'S RESTAURANT LIMITED)

Balance Receivable at December 31, 1964—Notes receivable.....	\$64,225
Add: Term accounts—re lease .....	12,875
Total amount receivable at December 31, 1964.....	<u>\$77,100</u>

Latest Financial Report

Financial statements prepared without audit by Wagman, Fruitman & Lando as at June 30, 1964.

Major Assets

Cash receivable, inventories.....	\$12,561
Employees and shareholders loans .....	47,182
Fixed assets less depreciation (including leasehold improvements of \$75,882) .....	70,181

Major Liabilities

Current liabilities.....	38,651
Note payable to Aurora (secured) .....	68,037

Equity.....	34,925
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Book value of net tangible assets .....	23,236
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Recent earnings (after tax profit for year) .....	3,381
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Current position.....	21,872
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Allowance Requirements

This Company would seem to have poor prospects of achieving sufficient earnings to make capital repayments.	
An allowance of say 25% seems warranted.....	<u>\$16,000</u>

Debtor—G. B. S. BARBECUES LIMITED

Balance Receivable at December 31, 1964.....	<u>\$60,200</u>
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Latest Financial Report

No recent financial data available—account commenced in 1961. The December 31, 1960 financial statements reflect net tangible assets of \$34,358.

Allowance for Bad Debts

This account has had an excellent repayment pattern since its inception. It was secured by chattel mortgages on equipment. There was no reason to doubt its collectibility.

Allowance required .....	<u>Nil</u>
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## Aurora Leasing Corporation Limited—(Continued)

### Debtor—J. G. MECKLER AND M. J. LAZAR

Balance Receivable at December 31, 1964.....	<u>\$51,515</u>
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A demand note was signed by Meckler and Lazar in March 1962 and renewed October 1, 1962. No information is available as to the credit worthiness of Meckler and Lazar. Neither interest nor principal was paid on this account since its inception. In 1964 all accrued interest on this account was written-off (presumably uncollectible).

Security held—Promissory notes of Jacroy Canada Limited for \$11,220 plus 264 common shares and 264 preferred shares of Jacroy Canada Limited. These shares represented over 20% of the Company.

#### Allowance for Bad Debts

In view of the absence of repayment it would be wise to look to the value of the security. At December 31, 1964 Jacroy Canada Limited appeared insolvent—the equity deficiency being about 55% of liabilities. The security, therefore, would seem to be limited in its value.

An allowance of 50% was allowed against the value of Aurora's loan to Jacroy. A similar allowance would appear warranted for this account.

Allowance required, say .....	<u>\$25,000</u>
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### Debtor—TIP TOP TAILORS LIMITED

Balance Receivable at December 31, 1964.....	<u>\$ 90,933</u>
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#### Latest Financial Report

Financial data per the Financial Post Survey of Industrials at February 28, 1964.

#### Major Assets

Cash.....	\$ 104,832
Inventories.....	4,990,856
Fixed assets.....	1,927,149

#### Major Liabilities

Bank overdraft.....	\$1,443,451
Mortgage loans.....	1,326,994

Shareholders' equity.....	\$4,036,823
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Recent operating results (loss).....	(\$ 260,227)
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#### Allowance for Bad Debts

This loan represents a 10% participation in a 1964 mortgage loan of \$1,000,000 arranged by British Mortgage & Trust Company.

In view of the strong equity position of this Company and the mortgage security involved, there was little reason to doubt its collectibility.

Allowance required.....	<u>Nil</u>
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## APPENDIX H

### Aurora Leasing Corporation Limited—(Continued)

#### Debtor—J. A. BREWSTER

Balance Receivable at December 31, 1964..... \$10,100

##### Latest Financial Report

No financial data available—Mr. Brewster was a member of the firm of John Frame & Co., Stockbrokers. This firm was suspended from the Toronto Stock Exchange in 1964.

Security held—5,000 shares of Frederick's Department Store Limited (cost—\$10,000)

##### Allowance for Bad Debts

Interest was paid until September 1963. Interest charges ceased on this account in 1963. No principal payments were ever made. The security would appear valueless because of Frederick's apparent insolvency.

In view of the foregoing and Mr. Brewster's large debt to Commodore Sales Acceptance Limited, an allowance of about 50% was warranted.

Allowance required, say..... \$ 5,000

#### Debtor—ST. GEORGE'S GOLF AND COUNTRY CLUB LTD.

Balance Receivable at December 31, 1964—Term Account re lease..... \$10,287

##### Latest Financial Report

No financial data available.

##### Allowance for Bad Debts

There was no reason to doubt the collectibility of this account in view of the satisfactory repayment pattern.

Allowance required..... Nil

#### Debtor—TOWNSHIP OF MICHIPICOTEN, ONTARIO

Balance Receivable at December 31, 1964—Term account re lease..... \$5,916

##### Latest Financial Report

No financial data available.

##### Allowance for Bad Debts

In view of the satisfactory repayment pattern, no allowance was required.

Allowance required..... Nil

#### Debtor—JACROY CANADA LIMITED

Balance Receivable at December 31, 1964—Term account re lease..... \$ 8,775

##### Latest Financial Report

Audited report issued by Smith, Winston, Wolman & Co. at December 31, 1964.

##### Major Assets

Accounts receivable.....	\$ 23,059
Inventory.....	54,846
Fixed assets.....	25,082

##### Major Liabilities

Bank loan.....	\$ 18,000
Accounts payable.....	61,971
Due to The Symphony Paint Company.....	71,008
Shareholders' loans payable.....	116,445

Shareholders' equity (deficiency)..... (\$140,587)

##### Allowance for Bad Debts

Although this account was paying regularly and the security of the leased assets was available, the serious insolvency would warrant an allowance of about 50%.

Allowance required, say..... \$ 4,000



## **Aurora Leasing Corporation Limited—(Continued)**

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### **Debtor—MARTINS (PEMBROKE) LIMITED**

Balance Receivable at December 31, 1964—Term account re leases ..... \$8,463

#### **Latest Financial Report**

No financial data available.

#### **Allowance for Bad Debts**

The satisfactory repayment pattern since inception in April, 1963 indicates that no allowance is necessary.

Allowance required ..... Nil

### **Debtor—PARKHILL CREAMERY LIMITED**

Balance Receivable at December 31, 1964 ..... \$3,495

#### **Latest Financial Report**

No financial data available.

#### **Allowance for Bad Debts**

The repayment pattern was acceptable and no allowance was warranted.

Allowance required ..... Nil

## APPENDIX H

### PREMIER FINANCE CORPORATION LIMITED

#### Analysis of Accounts Receivable and Bad Debt Allowance Requirements as at December 31, 1964

Debtor	Net Amount Owing	Debtors Financial Position		Required Allowance for Bad Debts
		Book Value of Net Tangible Assets	Discounted Net Assets	
Discounted "Hard Goods" Accounts—Total.....	\$2,083,984			\$ 700,000
Discounted "Soft Goods" Accounts—Total.....	1,732,932			390,000
Racan Photo-Copy Corporation Limited.....	840,274	(\$895,689)		585,000
Miscellaneous Accounts.....	8,219			—
	<u>\$4,665,409</u>			
Less: Dealer Holdbacks and Reserves.....	\$ 58,877			
Provision for unearned Interest.....	199,960			
	<u>258,837</u>			
NET TOTALS.....	<u>\$4,406,572</u>			<u>\$1,675,000</u>

#### Discounted "Hard Goods" Accounts

Balance Receivable at December 31, 1964..... \$2,083,984

##### Latest Account Analysis

The dealer control accounts were summarized by E. M. Sprackman, Siderson and Company at November 30, 1964. No detailed listing, ageing or confirmation of accounts was undertaken.

##### Comments

No details of the delinquency rate or collection rate were summarized either by the auditors or by Premier's management. However, it was understood that these accounts were in worse general state than the "soft goods" accounts. These accounts were purchased by an executive who was dismissed in 1964 for gross incompetence. In addition, the president of the Company, Mr. C. F. O'Neill was asked to resign during 1964.

It was estimated that 80 per cent of these accounts originated in 1963 and earlier years. The Company ceased writing new business for "hard goods" accounts in August of 1964 because of the severe collection problems and expected losses on these types of accounts.

In November of 1964, Mr. R. Baker of Standard Discount Corporation recommended to Mr. C. P. Morgan that Premier be liquidated and absorbed by Standard Discount. Substantial losses were expected. Liquidation commenced in March 1965.

##### Allowance for Bad Debts

In view of the foregoing and the absence of vital information with which to form a definite opinion, an allowance larger than that set up for "soft goods" accounts was warranted.

Allowance required, say  $\frac{1}{2}$  or approximately..... \$ 700,000

#### Discounted "Soft Goods" Accounts

Balance Receivable at December 31, 1964..... \$1,732,932

##### Latest Financial Report

A listing, ageing and balancing operation was carried out by Mr. R. Baker of Standard Discount Corporation in August 1964. No ageing of accounts or confirmation was undertaken at the annual audit date.

##### Major Results of Account Analysis

Detailed listing was short of the general ledger control by approximately..... \$ 50,000  
Accounts which were delinquent 90 days or more totalled approximately..... 700,000

The collection ratio on "soft goods" accounts was approximately 10% to 11% per month.

A satisfactory ratio is 18% to 20%, so that the accounts are turned over at least every six months.

The allowance for bad debts was between 1.2% and 2% of accounts receivable. The normal allowance for this type of financing is at least 4% of accounts receivable.

## PREMIER FINANCE CORPORATION LIMITED—(Continued)

### Discounted "Soft Goods" Accounts—(Continued)

#### Allowance for Bad Debts

At the end of 1964 it was apparent that Premier's "soft goods" accounts were in very poor shape. Many of the delinquent accounts were in arrears for over one year, with little or no collection effort being expended. Mr. Baker had recommended to Mr. C. P. Morgan in November 1964 that Premier be liquidated and absorbed by Standard Discount. Substantial losses were expected. (Liquidation was in fact commenced in March 1965.)

In view of the foregoing and the poor delinquency and collection rates it would have been prudent to allow for bad debts as follows:

All accounts delinquent over 90 days at 50%, or say .....	\$350,000	
The balance of accounts current or delinquent under 90 days at a normal 4% rate, or say .....	40,000	
		<u>\$ 390,000</u>

## PREMIER FINANCE CORPORATION LIMITED

### Debtor—RACAN PHOTO-COPY CORPORATION LIMITED

Balance Receivable at December 31, 1964.....	<u>\$ 840,274</u>
--	-------------------

#### Latest Financial Report

Opinion withheld by the auditors—Grammer, Birnbaum & Co. on the financial statements at June 30, 1964.

#### Major Assets

Current assets .....	\$ 149,752
Fixed assets .....	210,849
Research and development costs .....	1,374,239

#### Major Liabilities

Loans payable .....	\$ 858,424
Mortgages payable .....	185,375
Accounts payable .....	157,480
Equity .....	\$ 479,896
Current position (deficiency) .....	(\$1,079,607)
Deficiency in net tangible assets .....	(\$ 895,689)
Loss for the year ended June 30, 1964 per unaudited report .....	(\$ 475,760)

Tangible assets—deficiency as a percentage of total liabilities at June 30, 1964 was  $\left( \frac{\$ 895,689}{\$1,305,297} \right) - 69\%$

In addition to the poor state of affairs shown by the financial statements of Racan, and the refusal of the auditors to report on the financial statements, there were also reports in the press referring to foreclosure and garnishee actions being taken by a mortgage holder and the Ontario Government. Further press reports re take-over bids and new product development were confusing and contradictory.

The company's stock fell from an over-the-counter price of \$25.00 in 1963 to \$2.00 bid in 1964.

#### Comments

We understand that Mr. E. M. Sprackman, the auditor of Premier Finance, was a member of the Board of Directors of Racan Photo-Copy Corporation Limited during 1964.

#### Allowance for Bad Debts

All semblance of a reasonable repayment pattern ceased on this account in 1962. Payments, not involving refinancing, were insufficient during 1963, 1964 and early 1965 to cover even the interest accrual. Advances continued, raising the account from \$311,000 at the end of 1962 to \$593,000 at December 1963 and to \$840,000 at the end of 1964.

In addition, despite the poor repayment pattern, Commodore Sales advanced an additional \$240,000 during 1964. A new repayment schedule was set up in December 1964 and only the first three payments were made, the second one being returned N.S.F.

In view of the foregoing, an allowance equal to at least the tangible asset deficiency percentage would be warranted, or say .....

\$ 585,000





# **APPENDIX J**

**Report on  
Analysis of Accounts Receivable  
and  
Bad Debt Allowance Requirements  
as at December 31, 1963**



ATLANTIC ACCEPTANCE CORPORATION LIMITED  
AND SUBSIDIARY COMPANIES

Analysis of Accounts Receivable and Bad Debt Allowance Requirements  
as at December 31, 1963

	<i>Accounts Receivable (Net of "Holdbacks" and Unearned Interest)</i>	<i>Estimated Requirement for Allowance for Bad Debts</i>	<i>Allowance Provided in the Financial Statements</i>	<i>Additional Allowance Required</i>
Commodore Sales Acceptance Limited.....	\$15,373,624	\$ 4,634,000	\$ 342,713	\$4,291,287
Commodore Factors Limited (Converted from U.S. funds)...	6,097,741	1,844,000	178,303	1,665,697
Adelaide Acceptance Limited.....	5,247,056	2,159,000	40,343	2,118,657
	<hr/>	<hr/>	<hr/>	<hr/>
	\$26,718,421	\$ 8,637,000	\$ 561,359	\$8,075,641
Atlantic Acceptance Corporation Limited.....	32,666,857	784,088	784,088	—
Atlantic Finance Corporation Limited.....	13,689,481	173,594	173,594	—
Atlantic Acceptance Corporation (Toronto) Limited.....	147,801	6,000	6,000	—
Premier Finance Corporation Limited.....	7,986,500	700,000	103,260	596,740
Standard Discount Corporation Limited.....	2,709,702	115,385	115,385	—
Pay As You Study Plan Limited.....	28,907	3,490	3,490	—
	<hr/>	<hr/>	<hr/>	<hr/>
	\$83,947,669	\$10,419,557	\$1,747,176	\$8,672,381
	<hr/>	<hr/>	<hr/>	<hr/>

ATLANTIC ACCEPTANCE CORPORATION LIMITED  
AND SUBSIDIARY COMPANIES

Effect on Shareholders' Equity of Provision of Appropriate Allowance  
for Doubtful Accounts as at December 31, 1963

Shareholders' equity as per published financial statements:		
Capital stock.....	\$ 8,485,791	
Retained earnings.....	1,128,813	\$ 9,614,604
	<hr/>	
Deduct:		
Estimated requirement for allowance for doubtful accounts.....	\$10,419,557	
Less allowance provided as per published financial statements.....	1,747,176	
	<hr/>	
Additional allowance required.....		\$ 8,672,381
		<hr/>
		\$ 942,223
		<hr/>
Add:		
Adjustment of income tax provisions—Current year.....	\$ 341,270	
—Previous year.....	514,618	
	<hr/>	
		\$ 855,888
		<hr/>
Shareholders' equity after correction for provision of appropriate allowance for doubtful accounts and adjustment of income tax provisions for current and previous year.....		\$ 1,798,111
		<hr/>

APPENDIX J

ATLANTIC ACCEPTANCE CORPORATION LIMITED  
AND SUBSIDIARY COMPANIES

Effect on Consolidated Net Income of Appropriate Allowance for  
Doubtful Accounts as at December 31, 1963

Consolidated net income as per published financial statements.....	\$ 814,403
Deduct:	
Estimated requirement for allowance for doubtful accounts.....	\$10,419,557
Less allowance provided as per published financial statements.....	1,747,176
	<hr/>
Additional allowance required.....	\$ 8,672,381
	<hr/>
	(\$ 7,857,978)
Add:	
Reversal of current year's provision for income taxes.....	\$ 341,270
Consolidated net income for the year ended December 31, 1963 after correction for provision of appropriate allowance for doubtful accounts and adjustment of provision for current year's income taxes (loss).....	<hr/> <hr/> (\$ 7,516,708)

Note

The above schedule does not reflect any adjustments which would have been necessary in the circumstances with respect to previous years' income tax provisions.

THE ATLANTIC GROUP—COMMERCIAL LENDING

Analysis of Auditors and Accountants of Debtor Companies  
at December 31, 1963

	Total Accounts		Accounts which were Clients of Walton, Wagman & Co. and/or successor firm		Percentage of Total Accounts which were Clients of Walton, Wagman & Co. and/or successor firm	
	Number	\$ Value	Number	\$ Value	Number	\$ Value
Commodore Sales Acceptance Limited.....	41	\$15,373,624	14	\$10,934,531	34%	71%
Commodore Factors Limited.....	14	6,097,741	1	138,092	7%	2%
Adelaide Acceptance Limited.....	18	5,247,056	4	3,581,048	22%	68%
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total.....	73	\$26,718,421	19	\$14,653,671	26%	55%
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Aurora Leasing Corporation Limited.....	34	\$ 9,464,065	8	\$ 3,304,714	24%	35%
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>



# COMMODORE SALES ACCEPTANCE LIMITED

## Analysis of Accounts Receivable and Bad Debt Allowance Requirements as at December 31, 1963

Debtor	Net Amount Owing (less reserves)	Debtor's Financial Position		Required Allowance for Bad Debts	
		Book Value of Net Tangible Assets	Discounted Net Assets		
1. Aurora Leasing Corporation Limited.....	\$ 3,908,339	\$ 343,140	(\$1,601,860)	—	.1
2. Cimcony of Canada Limited.....	955,073			\$ 100,000	.2
3. Dalite Corporation (Canada) Limited.....	1,985,619	(607,203)	(1,424,000)	1,354,000	.3
4. D.H.I. Limited.....	2,351,190	(80,189)	(927,000)	300,000	.4
5. Pro Musica Limited.....	1,089,335	(540,348)	(954,000)	725,000	.5
6. American-Marsh Pumps (Canada) Limited	541,213	(231,745)	(280,745)	350,000	.6
7. American Automation (Canada) Limited..	76,977			—	.7
8. A.J. & E. Goldberg Brothers Limited					
Trading as: Furniture Sales Registered	154,515				
& Seven Crown Motel.....	107,143	(16,601)		50,000	.8
9. General Lawn Spray Limited.....	17,752	(10,119)		7,000	.9
10. Mart Utilities Limited.....	588,101	(27,572)	(554,000)	588,000	.10
11. Trans Canada Millinery Sales Limited....	455,381	(159,810)	(222,717)	455,000	.11
12. Trans Commercial Acceptance Limited....	917,830			—	.12
13. Commodore Business Machines (Canada) Limited.....	444,334	915,270		—	.13
14. D. R. Annett—personal.....	40,000			—	.14
15. D. R. Annett—re Clare's Sportswear.....	29,952			—	.15
16. Calcutta Holdings Limited.....	80,035			25,000	.16
17. Canada Motor Products (Toronto) Limited, now Gassem Enterprises Limited.....	202,239	(105,176)	(158,176)	58,000	.17
18. Canadian Dynamics Ltd.....	2,278			—	.18
19. Bond & Cosman Limited.....	519,894	(879,153)	(1,331,291)	520,000	.19
20. William C. Dymond.....	51,683	(4,683)		5,000	.20
21. J. Frame & J. Brewster.....	30,000	42,720		—	.21
22. Royalite Hospital Services.....	22,368			22,000	.22
23. Frontier Steel Inc.....	1			—	.23
24. Pearlsound Distributors Limited.....	173,973	(20,305)		45,000	.24
25. Hastings Construction.....	1			—	.25
26. Hilltop Holdings Limited.....	100,000	4,092		—	.26
27. J. W. Kentish, Jr.....	15,000	111,700		—	.27
28. M-Dee Surgical Supply Company Limited..	17,075			17,000	.28
29. Solomon and Singer (in trust).....	25,000			5,000	.29
30. Trans Carribean Investments Limited.....	15,263	200		8,000	.30
31. L. F. Winchell.....	4,743			—	.31
32. National Cordage Co.....	28,302	34,180		—	.32
33. American Metropolitan Enterprises Ltd...	5,150			—	.33
34. McKee Bros. Eastern Ltd.....	10,974			—	.34
35. Valley Farm and Enterprises Limited.....	138,444	(5,735)	(430,000)	—	.35
36. Corporate Plan Leasing Limited.....	86,562			—	.36
37. Halvan Equipment Leasing.....	2,990			—	.37
38. Macardan Investments Limited.....	75,179			—	.38
39. Malan Construction Inc.....	28,573			—	.39
40. J. R. Shemilt.....	9,545			—	.40
41. True Promotion Sales Inc.....	1			—	.41
42. Hardwood Importers.....	6,929			—	.42
43. Dealers' Interest Receivable.....	58,672			—	.43
44. Miscellaneous.....	(4)			—	.44
Total.....	<u>\$15,373,624</u>			<u>\$4,634,000</u>	

# APPENDIX J

## COMMODORE SALES ACCEPTANCE LIMITED

### List of Auditors and/or Accountants of Debtor Companies as at December 31, 1963

Debtor	Auditors or Accountants (As per most recent financial statements or as authorized by the records of the debtor company)	Most Recent Financial Statement		
		Audited	Qualified or Opinion Withheld	Unaudited
Aurora Leasing Corporation Limited.....	Walton, Wagman & Co. and/or successor firm	*		
Cimcony of Canada Limited.....	Walton, Wagman & Co. and/or successor firm			*
Dalite Corporation (Canada) Limited.....	Walton, Wagman & Co. and/or successor firm			*
D.H.I. Limited.....	McLeod, Dickson & Co.			*
Pro Musica Limited.....	Walton, Wagman & Co. and/or successor firm		*	
American-Marsh Pumps (Canada) Limited...	Walton, Wagman & Co. and/or successor firm	*		
American Automation (Canada) Limited.....	Not known			
A.J.&E. Goldberg Brothers Limited trading as: Furniture Sales Registered, & Seven Crown Motel.....	Walton, Wagman & Co. and/or successor firm			
General Lawn Spray Limited.....	K. E. Stoughton			*
Mart Utilities Limited.....	Walton, Wagman & Co. and/or successor firm			*
Trans Canada Millinery Sales Limited.....	Walton, Wagman & Co. and/or successor firm			
Trans Commercial Acceptance Limited.....	Not known			
Commodore Business Machines (Canada) Limited.....	Rose & Harrison			
D. R. Annett—personal }.....	—			
D. R. Annett—re Clare's Sportswear }.....	—			
Calcutta Holdings Limited.....	Not known			
Canada Motor Products (Toronto) Limited (now Gassem Enterprises Limited).....	Walton, Wagman & Co. and/or successor firm			
Canadian Dynamics Ltd.....	Not known			
Bond & Cosman Limited.....	Walton, Wagman & Co. and/or successor firm			
William C. Dymond.....	—			
J. Frame & J. Brewster.....	—			
Royalite Hospital Services.....	Not known			
Frontier Steel Inc.....	Not known			
Pearlsound Distributors Limited.....	Walton, Wagman & Co. and/or successor firm	*		
Hastings Construction.....	Not known			
Hilltop Holdings Limited.....	Walton, Wagman & Co. and/or successor firm			
J. W. Kentish Jr.....	—			
M-Dee Surgical Supply Company Limited...	Not known			
Solomon and Singer (in trust).....	—			
Trans Caribbean Investments Limited.....	Walton, Wagman & Co. and/or successor firm			
L. F. Winchell.....	—			
National Cordage Co.....	B. Gotlib	*		
American Metropolitan Enterprises.....	Not known			
McKee Bros. Eastern Ltd.....	Not known			*
Valley Farm and Enterprises Limited.....	Walton, Wagman & Co. and/or successor firm			*
Corporate Plan Leasing Limited.....	Not known			*
Halvan Equipment Leasing.....	Not known			*
Marcardan Investments Limited.....	Not known			*
Malan Construction.....	Not known			
J. R. Shemilt.....	—			
True Promotion Sales.....	Not known			
Hardwood Importers.....	Not known			
Dealers' Interest Receivable.....	—			
Miscellaneous.....	—			

## Commodore Sales Acceptance Limited—(Continued)

### Debtor—AURORA LEASING CORPORATION LIMITED

Balance Receivable at December 31, 1963.....	\$ 4,539,339
Less: Floating charge debenture of Dalite Corp.....	631,000
Net amount receivable at December 31, 1964.....	<u>\$ 3,908,339</u>

#### Latest Financial Report

Audited financial statements prepared by Walton, Wagman & Co. at December 31, 1963.

#### Major Assets

Term accounts receivable.....	\$ 1,693,916
Notes receivable.....	2,417,847
Call Notes receivable.....	5,045,042
Equipment (less depreciation).....	1,348,761

#### Major Liabilities

Secured notes payable.....	\$ 8,170,515
Convertible unsecured notes payable.....	559,000
Deferred revenue.....	1,590,303

Shareholders' equity—net tangible assets..... \$ 343,140

Discount of assets—allowance for bad debts required..... \$ 1,945,000

Discounted net tangible assets..... (\$ 1,601,860)

Security held—General assignment of book debts dated December 21, 1960.

#### Major Creditors at December 31, 1963

Commodore Sales Acceptance Limited (Note 1).....	\$ 3,908,339
British Mortgage & Trust Co.....	1,950,000
Adelaide Acceptance Limited (No. 2).....	2,466,790

#### Notes

1. Commodore Sales transferred a \$631,000 receivable owing by Dalite Corporation (Canada) Limited to Aurora Leasing. Aurora Leasing, however, never accepted this account or recorded it on its books. Commodore Sales later reversed the transaction and gave Aurora a credit of \$631,000. A formal assignment was never executed.
2. Although Adelaide Acceptance Limited notes were described as "secured" on the Aurora balance sheet, there was no evidence of any registered security.

#### Allowance for Bad Debts

Total assets per financial statements.....	\$10,856,574
Less: Deferred revenue.....	1,590,303

Tangible assets available.....	\$ 9,266,271
Less: Estimated allowance for doubtful accounts.....	1,945,000

Estimated realizable value of assets.....	\$ 7,321,271
Less: Preferred creditors including outstanding cheques up to amount of cash in bank.....	44,932

Less: British Mortgage & Trust Co. loan—secured by specific assignment of book debts.....	\$ 7,276,339
	<u>\$ 1,950,000</u>

Assets available to meet Commodore Sales Acceptance Limited's loan secured by a general assignment of book debts.....	\$ 5,326,339
Commodore Sales' loans.....	3,908,339

Realizable assets available to meet other secured and unsecured debts.....	<u>\$ 1,418,000</u>
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In view of the ample security available to Commodore Sales, no allowance would be warranted.

Allowance required.....	<u>Nil</u>
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## APPENDIX J

### Commodore Sales Acceptance Limited—(Continued)

#### Debtor—CIMCONY OF CANADA LIMITED

Balance Receivable at December 31, 1963 .....	\$ 955,073
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#### Latest Financial Report

Unaudited financial statements prepared by Wagman, Fruitman & Lando at May 31, 1964.

#### Major Assets

Loans receivable .....	\$ 3,275,019
------------------------	--------------

#### Major Liability

Loans payable to Commodore Sales Acceptance Limited and Aurora Leasing Corporation Limited .....	\$ 3,354,815
Due to Commodore Sales Acceptance Limited at December 31, 1963 .....	\$ 955,073
Book value of net tangible assets (deficiency) .....	(\$ 79,741)
Evidence of loans receivable collectibility .....	None
No allowance for bad debts on Cimcony of Canada Limited's books	
Current position (working capital deficiency) .....	(\$ 82,000)

#### Comments

At December 31, 1963 no financial reports were available for Cimcony of Canada Limited. H. Wagman's firm, however, did keep the books for Cimcony of Canada Limited and its subsidiaries, and were also the accountants for their major supplier, Dalite Corporation (Canada) Limited.

They would have known that at December 31, 1963 Cimcony regarded itself as owning a mortgage of \$306,000 for funds advanced to Dalite Corporation (Canada) Ltd.; Dalite, however, did not acknowledge this on their books.

In view of the questionable value of a major asset of Cimcony of Canada Limited and its nominal capitalization (\$30,000), it would be prudent to set an allowance for bad debts of at least 10% of the loan, or say .....	\$ 100,000
--	------------



# Commodore Sales Acceptance Limited—(Continued)

## Debtor—DALITE CORPORATION (CANADA) LIMITED

Balance Receivable at December 31, 1963—	
Notes receivable .....	\$ 1,354,619
Add: Floating charge debenture reflected in error as an assignment to Aurora Leasing .....	631,000
Total amount receivable at December 31, 1964 .....	<u>\$ 1,985,619</u>

### Latest Financial Report

Unaudited financial statement at December 31, 1963; obtained from files of Walton, Wagman & Co.

### Notes

- Copy of affidavit on file signed by C. Powell Morgan and dated November 1, 1962 (Exhibit 2845):  
"I, C. Powell Morgan, the beneficial owner of shares of Dalite Corporation (Canada) Limited held by Carl M. Solomon, in trust, hereby consent to the appointment of Glick and Levine as auditors of the Company to replace Walton, Wagman & Co."
- Copy of registered letter on file (Exhibit 2940, 1) from Glick and Levine to Mr. Eugene Last, President of Dalite, with carbon copy to C. Powell Morgan, dated June 11, 1963—Glick and Levine resign as auditors of the Company "effective immediately and do not intend to complete the financial statements for the fiscal period ended December 31, 1962 beyond the preliminary drafts now in your possession." Reason given: "We cannot agree on the methods adopted by your Company."
- Following the resignation of Glick and Levine, Walton, Wagman & Co. and successor firm performed accounting services for the Company until 1965, but did not report on any financial statements.

### Major Assets

Accounts receivable (less 21% allowance for doubtful accounts—\$87,000) .....	\$ 323,237
Advances to Associated Company .....	87,842
Inventory .....	1,218,404
Fixed assets—less depreciation .....	82,625
Investments (of which \$561,000 represents capital surplus "gain" and not cash investment) .....	566,000
Patents, pre-operational and development costs and other intangibles .....	720,124

### Major Liabilities

Notes payable—secured		
Due to Commodore Sales—notes .....	\$ 1,354,619	
—floating charge debenture .....	631,000	\$ 1,985,619
Adelaide Acceptance—floating charge debenture .....		251,762
Note payable to and advances from Director .....		122,343
Bank overdraft, accounts payable and accrued .....		525,587
Book value of net tangible assets (deficiency) .....		(\$ 607,203)
Current position (working capital deficiency) .....		(\$ 902,436)
Latest earnings (loss for 1963 fiscal year) .....		(\$ 14,088)
on sales of— .....		\$ 1,709,217
Discounted net tangible assets—		
Book value as above (deficiency) .....	(\$ 607,000)	
Add provision for loss of other operating assets at the same rate as accounts receivable—		
Inventory—20% .....	(\$ 240,000)	
Fixed assets—20% .....	( 16,000)	
Investments (non-cash transaction set up in 1962 in the financial statements prepared by Walton, Wagman & Co.) .....	( 561,000)	(\$ 1,424,000)

### Allowance Requirements

Deficiency of discounted net tangible assets—as above .....	(\$ 1,424,000)
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### Add

Prior claims of floating charge debentures .....	\$ 882,762
Deficiency in assets available for other creditors .....	(\$ 2,306,762)
Due to other creditors .....	\$ 2,002,549
Deficiency of assets as a percentage—100%+	
Allowance requirement—notes receivable .....	\$ 1,354,619 (100% allowance)
floating charge debenture .....	631,000 (no allowance)
	<u>\$ 1,985,619</u>

Amount allowed .....	<u>\$ 1,354,000</u>
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### Comments

- Because of the significance of the apparent ownership of the above Company by Mr. Morgan, the President of Commodore Sales Acceptance, and of the reason given by Glick and Levine for resigning as auditors of the Company, this account would have to be considered with special care. In the circumstances, it would seem imprudent to assume that the assets reflected by Dalite's financial statements were fairly evaluated or that the Company's future operations would improve significantly.
- The floating charge debenture of \$631,000 was shown by the records of Dalite to be payable to Commodore Sales Acceptance. Although Commodore Sales Acceptance showed this as a transfer to Aurora Leasing, the latter Company did not take it up on its books. In the absence of an agreement, this loan should be regarded as owing to Commodore Sales Acceptance.

# APPENDIX J

## Commodore Sales Acceptance Limited—(Continued)

### Debtor—D. H. I. LIMITED

Balance Receivable at December 31, 1963 .....		<u>\$ 2,351,190</u>
<b>Latest Financial Report</b>		
No audit opinion expressed on the report prepared by McLeod, Dickson & Co. at December 31, 1963.		
<b>Major Assets</b>		
Accounts receivable (less 12% allowance) .....		\$ 1,960,495
Inventories at lower of cost or market .....		910,525
Fixed assets (no depreciation provided) .....		<u>774,201</u>
<b>Major Liabilities</b>		
Due to Commodore Sales Acceptance—		
Loans—current .....	\$ 2,234,817	
Notes .....	65,076	
Loans—deferred .....	<u>14,050</u>	\$ 2,313,943
Debentures due to Aurora Leasing .....		350,000
Mortgage .....		194,915
Due to Mastino Developments .....		140,069
Accounts payable and accrued .....		<u>885,769</u>
Book value of net tangible assets (deficiency) .....		(\$ 80,189)
Current position (working capital deficiency) .....		(\$ 247,346)
Recent earnings (loss for year 1963) .....		(\$ 330,950)
Discount—		
Accounts receivable—a 12% allowance may be sufficient .....		Nil
Inventories—say 20% discount for realization .....		\$ 180,000
*Fixed assets—inflated value of Cerametal purchase .....		<u>561,000</u>
Fixed assets—no depreciation taken a write-down of say 50% would seem reasonable (after deducting Cerametal purchase) .....		106,000
		<u>\$ 847,000</u>
Discount net tangible assets (deficiency) .....		(\$ 927,000)
<b>Allowance for Bad Debts</b>		
In view of the insolvency, lack of 100% security, continual losses and poor reports on D.H.I. prospects, liquidation values must be considered.		
On liquidation the creditors might expect to realize at the discounted value of tangible assets, as follows:		
Discounted tangible assets .....		\$ 2,963,929
Less: Outstanding cheques and preferred creditors .....	\$ 282,624	
Secured liabilities		
Mortgage on Real Estate .....	194,915	
Debenture payable—Aurora Leasing .....	350,000	
Receivable assigned to Commodore Sales .....	<u>1,900,000</u>	
Debenture—Commodore Sales .....	<u>100,000</u>	2,827,539
Available for unsecured creditors .....		<u>\$ 136,390</u>
Total unsecured creditors (\$3,886,509 - \$2,827,539) .....		<u>\$ 1,058,970</u>
Percentage deficiency on unsecured accounts—87%		
Unsecured portion of Commodore Sales' debt .....		\$ 351,190
Allowance required—87% of above \$305,535 Say .....		<u>\$ 300,000</u>

\*Details of this transaction between Dalite Corporation and D.H.I. were fully available to the auditors of Commodore Sales Acceptance.

## Commodore Sales Acceptance Limited—(Continued)

### Debtor—PRO MUSICA LIMITED

Balance Receivable at December 31, 1963. . . . . \$ 1,089,335

#### Latest Financial Report

Financial statements prepared by Walton, Wagman & Co. with a disclaimer of audit opinion because of poor records and internal control—as at September 30, 1963.

#### Major Assets

Inventory . . . . . \$ 827,321  
Fixed assets (depreciation \$2,311) . . . . . 77,524

#### Major Liabilities

Accounts payable . . . . . \$ 278,388  
Due to Commodore Sales—note payable . . . . . \$ 709,807  
—debentures . . . . . 447,299  
1,157,106

Mortgage payable . . . . . 15,750

Book value of net tangible assets (deficiency) . . . . . (\$ 540,348)

Current position (working capital deficiency) . . . . . (\$ 178,823)

Latest earnings (loss) . . . . . (\$ 74,571)

Discounted net tangible assets (deficiency) after 50% inventory discount . . . . . (\$ 954,000)

#### Allowance for Bad Debts

Correspondence files indicated a sub-marginal operation for at least the last few years with Mr. Morgan apparently heavily involved in management. In view of the continuing insolvency, the failure to pay interest or principal since 1962, and the continued operating losses, this account was viewed on a liquidation basis, as follows:

Total assets . . . . . \$ 910,897  
Less: Accrued liability for duty (estimated) . . . . . \$ 125,000  
Mortgage payable . . . . . 15,750  
Discount inventory by, say 50% . . . . . 413,660  
554,410

Assets available to meet Commodore Sales debenture . . . . . \$ 356,487

Total due to Commodore Sales Acceptance . . . . . \$ 1,089,335

Allowance required, say . . . . . \$ 725,000

## APPENDIX J

### Commodore Sales Acceptance Limited—(Continued)

#### Debtor—AMERICAN-MARSH PUMPS (CANADA) LIMITED

Balance Receivable at December 31, 1963. . . . . \$ 541,213

##### Latest Financial Report

Audited financial statements prepared by Walton, Wagman & Co. as of December 31, 1963.

##### Major Assets

Cash. . . . .	\$ 32,169
Receivables (no allowance). . . . .	54,890
Inventory. . . . .	87,045
Fixed assets (less depreciation of \$30,416). . . . .	123,261
Intangibles. . . . .	86,803

##### Major Liabilities

Due to Commodore Sales Acceptance—	
per Commodore Sales Acceptance records. . . . .	\$ 541,213
apparent discrepancy. . . . .	61,232
	<hr/>
	\$ 479,981
Due to the Walton Co. Limited. . . . .	20,000
Outstanding cheques and accounts payable. . . . .	29,129
	<hr/>
	(\$ 231,745)
Book value of net tangible assets (deficiency). . . . .	(\$ 167,186)
Current position (working capital deficiency). . . . .	(\$ 133,094)
Latest earnings (loss for year 1963—on sales of \$316,000). . . . .	

##### Allowance Requirements

In view of the serious insolvency of this Company and the extraordinarily poor results of its operations for the fiscal year 1963, this account had to be considered on the basis of impending liquidation or sale. This Company had already made a proposal to creditors which was under the supervision of the Walton Company. Book value of net tangible assets (deficiency)—as above. . . . . (\$ 231,745)

##### Add

Provision for possible losses on—	
Receivables—no allowance in financial statements, say 20%. . . . .	11,000
Inventory, say 20%. . . . .	17,000
Fixed assets—depreciation only 20% in financial statements, say 20%. . . . .	30,000
	<hr/>
	(\$ 289,745)
Discounted net tangible assets (deficiency). . . . .	
	<hr/>
	\$ 61,232
Apparent unrecorded liability due to Commodore Sales Acceptance—as above. . . . .	
	<hr/>
Total. . . . .	(\$ 350,977)
	<hr/>
Estimated allowance required, say. . . . .	\$ 350,000
	<hr/>

#### Debtor—AMERICAN AUTOMATION (CANADA) LIMITED

Balance Receivable at December 31, 1963. . . . . \$ 76,977

##### Latest Financial Report

There is no evidence of financial statements ever being prepared for this Company from its inception in 1962. At December 31, 1963 it appeared to have no major assets and appeared to operate as a sales agent for its affiliated American companies.

In the absence of any financial information, no opinion can be arrived at regarding this account.



## Commodore Sales Acceptance Limited—(Continued)

### Debtor—A. J. & E. GOLDBERG BROTHERS LIMITED Trading as FURNITURE SALES REGISTERED & SEVEN CROWN MOTEL

Balance Receivable at December 31, 1963—Furniture Sales Registered.....	\$ 154,515
—Seven Crown Motel.....	107,143
Total amount receivable at December 31, 1964.....	<u>\$ 261,658</u>

#### Latest Financial Report

Audited financial statements prepared by Walton, Wagman & Co. at June 30, 1963.

#### Major Assets

Accounts receivable (allowance Nil).....	\$ 40,622
Inventory (no basis of valuation stated).....	69,002

#### Major Liabilities

Bank overdraft.....	\$ 3,604
Accounts payable.....	23,405
Due to Finance Company.....	99,316

Equity (deficiency).....	(\$ 16,197)
Book value of net tangible assets (deficiency).....	(\$ 16,601)
Share capital investment.....	\$ 4

#### Allowance for Bad Debts

Although the financial statements did not reflect a *serious* insolvency, there were certain factors which cast doubt on the full collectibility of these loans. The basis of valuation of assets was not set out in the financial statements, the equity investment was almost non-existent and the assets were over \$16,000 less than the liabilities to be met.

In view of the foregoing, an allowance of about 20% would be warranted.

Allowance required, say.....	<u>\$ 50,000</u>
------------------------------	------------------

### Debtor—GENERAL LAWN SPRAY LIMITED

Balance Receivable at December 31, 1963.....	<u>\$ 17,752</u>
--	------------------

#### Latest Financial Report

Unaudited report prepared by K. E. Stoughton, at December 31, 1963.

#### Major Assets

Accounts receivable.....	\$ 2,379
Equipment.....	10,926

#### Major Liabilities

Accounts payable.....	\$ 13,908
Long-term loan.....	10,000

Equity (deficiency).....	(\$ 10,119)
--------------------------	-------------

#### Allowance for Bad Debts

In view of the deficit in operations (without any depreciation being taken) it would be prudent to set up an allowance for this loan unless there was strong evidence to suggest that this loan was, in fact, totally collectible.

In the absence of such evidence, an allowance equal to the deficiency percentage of net assets would be reasonable.

$$\text{Deficiency } \left( \frac{10,119}{24,471} \right) = 41\%$$

Allowance: 41% of \$17,752, or say.....	<u>\$ 7,000</u>
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## APPENDIX J

### Commodore Factors Limited—(Continued)

#### Debtor—MART UTILITIES LIMITED

Balance Receivable at December 31, 1963.....	\$ 588,101
<b>Latest Financial Report</b>	
Unaudited financial statements prepared by Walton, Wagman & Company at July 31, 1963.	
<b>Major Assets</b>	
Advances to Bond & Cosman (No bad debt allowance).....	\$ 527,160
<b>Major Liability</b>	
Loan payable to Commodore Sales Acceptance.....	\$ 566,705
No confirmation of this account.	
Book value of net tangible assets (deficiency).....	(\$ 27,572)
Discount—	
re Bond & Cosman advance (see schedule). This Company has a net tangible asset deficit of (\$879,153) and a further \$237,137 was judged uncollectible by the auditors—Walton, Wagman & Co.	
In view of this situation the Bond & Cosman receivable warrants a 100% allowance.....	\$ 527,160
Discounted net tangible assets (deficiency). Say.....	(\$ 554,000)
In view of an apparent severe insolvency, supported by auditors' findings and disclaimer on the accounts of the Company's major debtor, an allowance of 100% would be prudent. Say.....	
	\$ 588,000

#### Debtor—TRANS CANADA MILLINERY SALES LIMITED

Balance Receivable at December 31, 1963.....	\$ 455,381
<b>Latest Financial Report</b>	
Financial statements prepared without audit by Walton, Wagman & Co. as of July 31, 1963.	
<b>Major Assets</b>	
Fixed assets—	
furniture and fixtures.....	\$ 23,485
leasehold improvements.....	49,422
	\$ 72,907
<b>Major Liabilities</b>	
Advances from Bond & Cosman Limited.....	\$ 237,138
Book value of net tangible assets (deficiency).....	(\$ 159,810)
Discounted value of net tangible assets (deficiency).....	(\$ 222,717)
Current position (working capital deficiency).....	(\$ 232,718)
Latest earnings (net loss for year).....	(\$ 152,147)
<b>Comments</b>	
Commodore Sales Acceptance records reflect amounts owing by the above Company as follows:	
As at December 31, 1961.....	\$ 45,000
December 31, 1962.....	517,395
December 31, 1963.....	455,381
Based on comments in Walton, Wagman & Co.'s qualified report, it would appear that Trans Canada's liability to Commodore Sales Acceptance Limited was transferred to Bond & Cosman Limited prior to July 31, 1963 "in order to consolidate in one set of accounts all operations for the thirteen Towers stores."	
The allowance requirements of this account should be considered, therefore, on the basis of the Bond & Cosman Limited financial condition (see schedule).	
With respect to Trans Canada Millinery Sales Limited, the Company appears to be completely insolvent with no hope of producing profits, based on reported recent operating results.	
Accordingly, the required allowance is 100%. Say.....	\$ 455,000

## Commodore Sales Acceptance Limited—(Continued)

### Debtor—TRANS COMMERCIAL ACCEPTANCE LIMITED

Balance Receivable at December 31, 1963. . . . . \$ 917,830

#### Latest Financial Report

No financial data available.

#### Background Information

The account with Trans Commercial Acceptance Limited originated by journal entry, dated December 31, 1963 which consolidated certain accounts:

Dr. Notes receivable Trans Commercial Acceptance Limited . . . . .	\$ 917,830
Cr. Inventory loan re warehouse receipts, Commodore Drycopy . . . . .	\$ 44,794
Notes receivable, Evermac Office Equipment Company Limited . . . . .	300,000
Inventory loan, Humber Typewriters & Business Equipment Limited . . . . .	192,879
Inventory loan re warehouse receipts, Commodore Business Machines (Canada) Limited . . . . .	380,157

To set up new notes re above at 8½% p.a. Questioned regarding this journal entry, Mr. Woolfrey explained that all the above companies were related to Commodore Business Machines (Canada) Limited; that Baronet Associates Inc. and Trans Commercial Acceptance had been formed to finance and control the Commodore Business Machines group of companies in the U.S.A. and Canada respectively.

#### Allowance Requirements

In the absence of specific information about the financial position of Trans Commercial Acceptance and in view of Mr. Woolfrey's explanations, our next recourse was to attempt to assess the financial position of the above group whose Commodore Sales Acceptance loans were transferred to Trans Commercial Acceptance. The results of our review in this connection were as follows:

	<i>Amount owing at Dec. 31/63</i>	<i>Allowance Required</i>
Commodore Business Machines Limited. . . . .	\$ 380,157	
Commodore Drycopy . . . . .	44,794	
Humber Typewriters & Business Equipment Limited. . . . .	192,879	Nil
—reference to published financial statements of Commodore Business Machines (Canada) Limited and its wholly owned subsidiaries as at June 30, 1963—see schedule, Evermac Office Equipment Company Limited. . . . .	300,000	Nil
—as shown by the attached schedule the collectibility of the Evermac loan depends, in effect, upon the financial strength of Commodore Business Machines (Canada) Limited. . . . .		
<b>Totals . . . . .</b>	<b>\$ 917,830</b>	<b>Nil</b>

## Commodore Sales Acceptance Limited—(Continued)

**Debtor—TRANS COMMERCIAL ACCEPTANCE LIMITED  
RE EVERMAC OFFICE EQUIPMENT COMPANY LTD.**

**Latest Financial Report**

Prepared without an opinion by Rose & Harrison—as of September 30, 1953.

**Major Assets**

Advances to Commodore Business Machines (Canada) Limited .....		\$	300,000
Investments—			
Pearlsound Distributors Limited .....	\$	52,500	
Commodore Business Machines (Canada) Limited .....		50,081	
			102,581

**Major Liabilities**

Advances from Finance Companies (i.e. Commodore Sales Acceptance Limited) .....		\$300,000	
Loans payable—			
Pearlsound Distributors Limited .....	\$	48,543	
Humber Typewriters & Business Equipment Limited .....		6,500	
Commodore Business Machines (Canada) Limited .....		17,898	
			72,941
Accounts payable including interest .....			28,948
Equity .....		\$	12,895
Book value of net tangible assets .....		\$	10,050
Current position (working capital deficiency) .....		(\$	92,532)
Profit for year (mostly capital gain on sale of interest in Humber Typewriters to Commodore Business Machines) .....		\$	52,675

**Comments**

The above indicates that the loan of \$300,000 from Commodore Sales Acceptance Limited was passed on to Commodore Business Machines (Canada) Limited and that the security for the loan, in effect, depends upon the financial strength of the latter Company.



## Commodore Sales Acceptance Limited—(Continued)

### Debtor—COMMODORE BUSINESS MACHINES (CANADA) LIMITED

Balance Receivable at December 31, 1963. ....	\$ 444,334
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#### Latest Financial Report

Audited financial statement prepared by Rose & Harrison at June 30, 1963.

#### Major Assets

Cash. ....	\$ 302,825
Receivables (less provision for doubtful accounts of say \$47,387 and \$23,912) .....	\$ 1,315,132
Inventory .....	1,881,423
Investments in and advances to other corporations. ....	1,371,347
Fixed assets (less depreciation) .....	95,715
Intangibles .....	371,647

#### Major Liabilities

Accounts payable. ....	806,052
Bank loan, advances and taxes payable. ....	210,656
Loans and notes payable (unsecured) .....	327,615
Advances from Finance Companies. ....	658,896
Long-term notes and debentures. ....	2,064,726
Equity .....	\$ 1,286,917
Book value of net tangible assets. ....	\$ 915,270
Current position .....	\$ 1,399,979
Net profit after taxes for year. ....	\$ 143,034

#### Due to Finance Companies at December 31, 1963 as per Finance Company records

Commodore Sales Acceptance Limited. ....	\$ 444,334
Aurora Leasing Corporation Limited. ....	264,591
Commodore Factors Limited. ....	502,327
	\$ 1,211,252

#### Allowance Requirements

Although earnings of this Company may be low, the amount payable to the Finance Companies seems adequately protected.

Allowance requirements therefore are considered to be. ....	Nil
---	-----

### Debtor—D. R. ANNETT

Balance Receivable at December 31, 1963	
Personal account. ....	\$ 40,000
Re: Clare's Sportswear. ....	29,952
	\$ 69,952
Total amount receivable at December 31, 1964. ....	

#### Latest Financial Report

No financial reports available.

#### Allowance for Bad Debts

Mr. Annett was a Partner in Annett & Company and apparently possessed assets in excess of his liabilities. This loan would appear fully collectible.

Allowance required. ....	Nil
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## APPENDIX J

### Commodore Sales Acceptance Limited—(Continued)

#### Debtor—CALCUTTA HOLDINGS LIMITED

Balance Receivable at December 31, 1963 .....	\$ 80,035
<b>Latest Financial Report</b>	
No financial data available prior to 1964.	
Security given for this loan—	
45,000 common shares of Kopan Developments Limited at market (January 1964-high 19¢) .....	\$ 8,550
110,000 common shares of Dominion Leaseholds Limited (Trading between 10¢ and \$1.19 in 1963—a cost of 18.5¢ as shown by such companies as Dallas Holdings, would be reasonable) .....	20,350
Total security .....	\$ 28,900
Unsecured portion—approximately .....	\$ 50,000
<b>Allowance for Bad Debts</b>	
This account was delinquent on its instalments from August 1963. Total amount in arrears approximated \$30,000. The President and major shareholder of this Company, J. Frame, was experiencing financial difficulties and his brokerage firm was suspended from the Toronto Stock Exchange in early 1964.	
In view of this account's delinquency, the financial problems of its major shareholder, and the heavily unsecured position, an allowance of about 50% of the unsecured loan was warranted.	
Allowance required, say .....	\$ 25,000

#### Debtor—CANADA MOTOR PRODUCTS (TORONTO) LIMITED

Balance Receivable at December 31, 1963—	
Loan receivable .....	\$ 160,000
Note receivable—Canada Motor Products Limited (in bankruptcy) .....	42,239
Total amount receivable at December 31, 1964 .....	\$ 202,239
<b>Latest Financial Report</b>	
Audited financial statements prepared by Walton, Wagman & Co. as of March 31, 1963.	
<b>Major Assets</b>	
Receivables .....	\$ 187,500
Investment in Canada Motor Products (Blackstone) Ltd. ....	80,000
<b>Major Liabilities</b>	
Notes payable—Valley Farm .....	\$ 60,000
—Commodore Sales .....	182,500
Loan payable .....	109,550
Director's loan .....	22,500
Book value of net tangible assets (deficiency) .....	(\$ 105,176)
Current position (working capital deficiency) .....	(\$ 162,676)
Latest earnings (loss for year) .....	(\$ 117,704)
<b>Discount Required</b>	
Investment in Canada Motor Products (Blackstone) Limited—this Company has net tangible assets of only \$27,000 at December 31, 1963 and experienced a loss of \$70,000 in 1963.	
This investment should be written down to the net tangible asset value—Discount .....	(\$ 53,000)
Discounted net tangible asset (deficiency) .....	(\$ 158,176)
<b>Allowance Required</b>	
Loan receivable—fully secured by a \$200,000 floating charge debenture—however, in view of the severe impairment an allowance of say 10% would be prudent, or say \$16,000.	
Note receivable—Canada Motor Products Limited was bankrupt with no distribution to cover this note and it, therefore, must be viewed as a total loss of \$42,239.	
Total allowance for bad debts .....	\$ 58,000

## Commodore Sales Acceptance Limited—(Continued)

### Debtor—CANADIAN DYNAMICS LTD.

Balance Receivable at December 31, 1963.....	\$ 2,278
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#### Latest Financial Report

No financial statements available.

#### Allowance for Bad Debts

This loan originated in 1963—there is no apparent reason to doubt its collectibility.

Allowance required.....	Nil
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### Debtor—BOND & COSMAN LIMITED

Balance Receivable at December 31, 1963.....	\$ 519,894
--	------------

#### Latest Financial Report

Financial statements issued without audit opinion by Walton, Wagman & Co.—as of July 31, 1963.

#### Major Assets

Inventory.....	\$ 346,071
Advances to Trans Canada Millinery Sales (considered not collectible by auditors).....	237,138
Other receivables.....	23,347
Furniture and fixtures, etc. (no depreciation provided).....	77,156
Intangibles.....	202,282

#### Major Liabilities

Advances from Mart Utilities.....	\$ 527,160
Loans payable—	
Commodore Sales Acceptance.....	\$ 803,075
Aurora Leasing.....	75,000
Arecan Corporation.....	17,800

Bank overdraft, accounts payable and accrued, etc.....	202,947
Net tangible assets (deficiency at book value).....	(\$ 879,153)
Current position (working capital deficiency).....	(1,016,664)
Latest earnings (loss for year).....	(\$ 634,336)

#### Allowance Requirements

Book value of net tangible assets (deficiency)—as above.....	(\$ 879,153)
--	--------------

#### Add

Provision for possible losses on—	
Advances to Trans Canada Millinery—100%.....	237,138
Inventory—50%.....	175,000
Furniture and fixtures—50%.....	40,000
Discounted net tangible assets (deficiency).....	(\$ 1,331,291)

In view of the serious insolvency of the Company and the unfavourable trend in operating results, a 100% bad debt allowance seems to be warranted.....	\$ 520,000
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See also the following schedules:

Re Commodore Sales Acceptance—Mart Utilities	
—Trans Canada Millinery	
Re Aurora Leasing	—Bond & Cosman Limited

See also the following analysis of inter-relationships of Mart Utilities, Bond & Cosman and Trans Canada Millinery.

## APPENDIX J

### Commodore Sales Acceptance Limited—(Continued)

#### ANALYSIS OF INTER-RELATIONSHIPS OF MART UTILITIES BOND & COSMAN AND TRANS CANADA MILLINERY

<i>Per Financial Statements at July 31, 1963</i>				
	<i>Mart Utilities</i>	<i>Bond &amp; Cosman</i>	<i>Trans Canada Millinery</i>	<i>Totals</i>
In account with:				
Mart Utilities.....		(\$527,160)		\$ (527,160)
Bond & Cosman.....	\$527,160		(\$237,138)	290,022
Trans Canada Millinery.....		237,138		237,138
Inter-Company Totals.....	\$527,160	(\$290,022)	(\$237,138)	—
Commodore Sales Acceptance Loans.....	(\$566,705)	(\$803,075)	—	\$1,369,780
Loans Per Commodore Sales Acceptance records at				
December 31, 1963.....	\$588,102	\$519,894	\$455,381	\$1,563,377

#### Debtor—WILLIAM C. DYMOND

Balance Receivable at December 31, 1963.....	\$ 51,683
<b>Latest Financial Report</b>	
No financial statements available.	
<b>Major Asset</b>	
Property—Rexdale Boulevard	
Appraised January 29, 1963 by W. H. Bosley & Co. at.....	\$ 85,000
<b>Major Liabilities</b>	
First mortgage—North American Life (estimated).....	\$ 38,000
Second mortgage—Commodore Sales Acceptance.....	51,683
Net tangible asset (deficiency).....	(\$ 4,683)
<b>Allowance for Bad Debts</b>	
A writ of foreclosure was filed in December of 1963 against this property. It is reasonable to expect a loss in excess of the net asset deficiency. Allowance required, say.....	\$ 5,000

#### Debtor—J. FRAME and J. BREWSTER

Balance Receivable at December 31, 1963.....	\$ 30,000
<b>Latest Financial Report</b>	
Latest financial report of John Frame & Co. accompanied by unqualified audit report of Eddis & Associates at March 31, 1964.	
Book value of net tangible assets (including Stock Exchange seats).....	\$ 42,720
Security given for this loan—	
96,000 common shares of Kopan Developments Limited at market value (January 1964—high 19¢ per share)	\$ 18,240
43,000 common shares of Dominion Leaseholds Limited (Trading between 10¢ and \$1.19 during 1963—	
a cost figure of 18.5¢ as shown by companies such as Dallas Holdings, would be reasonable).....	7,955
Total security.....	\$ 26,195
<b>Allowance for Bad Debts</b>	
Although the financial strength of these debtors might have been questioned, the security coverage would seem adequate to obviate the necessity for any significant allowance.	
Allowance required.....	Nil



## Commodore Sales Acceptance Limited—(Continued)

### Debtor—ROYALITE HOSPITAL SERVICES

Balance Receivable at December 31, 1963 .....	\$ 22,368
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#### Latest Financial Report

No financial statements available.

#### Allowance for Bad Debts

Considering that \$11,951 of this account was written-off by Commodore Sales Acceptance in March, 1964 and the remainder two months later, it can reasonably be assumed that the account was recognized to be of doubtful value as of a normal audit date following December 31, 1963.

Allowance required—100%. Say .....	\$ 22,000
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### Debtor—PEARLSOUND DISTRIBUTORS LIMITED

Balance Receivable at December 31, 1963 .....	\$ 173,973
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#### Latest Financial Report

Audited financial statements prepared by Walton, Wagman & Co.—as of June 30, 1963.

#### Major Assets

Accounts receivable (allowance of \$3,500) .....	\$ 73,154	
Notes receivable .....	55,162	\$ 128,316
Intangibles .....		22,675

#### Major Liabilities

Accounts receivable discounted .....	\$ 77,071
Notes payable .....	55,162
Due to Finance Company .....	8,933
Book value of net tangible assets (deficiency) .....	(\$ 20,305)
Current position (working capital deficiency) .....	(\$ 13,510)
Latest earnings (loss for year) .....	(\$ 47,857)

#### Allowance Requirements

This Company's financial position is obviously precarious and the creditors' position will depend upon the collectibility of the receivables shown above and by the ability of the Company to show a profit on its future operations.

In view of the insolvency of this Company and usual costs of liquidation in a small situation such as this, an allowance of 25 to 50% would be warranted.

Allowance: required of, say .....	\$ 45,000
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## APPENDIX J

### Commodore Sales Acceptance Limited—(Continued)

#### Debtor—HILLTOP HOLDINGS LIMITED

Balance Receivable at December 31, 1963..... \$ 100,000

##### Latest Financial Report

Unaudited financial statements prepared by Walton, Wagman & Co. at December 31, 1963.

##### Major Assets

3rd. Mortgage receivable—E. Last (President of Dalite)..... \$ 100,000

Property at 300 Dwight Avenue, Toronto

There does not seem to have been any payment on this mortgage during the last two years.

Mortgage receivable—Valley Farm..... \$ 42,546

##### Major Liabilities

Loans payable..... \$ 46,311

Mortgage payable—apparently an assignment of the 3rd. mortgage receivable..... \$ 100,000

Book value of net tangible assets..... \$ 4,092

##### Allowance for Bad Debts

The realizability of this loan is contingent upon the value of the property mortgaged—there appears to be some inability to pay on this mortgage and the security of a third mortgage also gives cause for concern. These funds were re-advanced to E. Last, who advanced the funds to Dalite Corporation. Recovery of the advance to Dalite is improbable.

In the absence of an appraisal of the Dwight Avenue property, an allowance for this account cannot be determined.

Allowance..... Nil

#### Debtor—J. W. KENTISH JR.

Balance Receivable at December 31, 1963..... \$ 15,000

##### Latest Financial Report

Rough net worth statement available at July 1962

Net worth..... \$ 111,700

This account is paying interest regularly.

It is secured by 150,000 shares of Dumon Nickel which appear to exceed the value of the loan. No allowance is required..... Nil

#### Debtor—M-DEE SURGICAL SUPPLY COMPANY LIMITED

Balance Receivable at December 31, 1963..... \$ 17,075

##### Latest Financial Report

No financial statements available.

##### Allowance for Bad Debts

Since this account was written-off in May of 1964, it can reasonably be assumed that management would have recognized its doubtful value as of a normal audit date following December 31, 1963.

Allowance required—100%. Say..... \$ 17,000

## **Commodore Sales Acceptance Limited—(Continued)**

### **Debtor—SOLOMON AND SINGER (In Trust)**

Balance Receivable at December 31, 1963..... \$ 25,000

Details of the nature of this advance were not available.

#### **Allowance for Bad Debts**

No interest or principal was paid or accrued since this account's inception in 1963. The auditors may not have been aware of the identity of the ultimate borrower or his credit worthiness.

In view of the lack of payments and the failure to confirm the debtor, an allowance of about 20% would be warranted.

Allowance required, say..... \$ 5,000

### **Debtor—TRANS CARRIBEAN INVESTMENTS LIMITED**

Balance Receivable at December 31, 1963..... \$ 15,263

#### **Latest Financial Report**

The accountants were Walton, Wagman & Co.—No financial statements were prepared in 1963.

Equity investment..... \$ 200

#### **Allowance for Bad Debts**

The accountants were aware that this Company was formed to sell prefabricated houses in Mexico. The capitalization was \$200. Mr. A. G. Woolfrey, Secretary-Treasurer of Commodore Sales, owned 55 per cent of this Company.

The funds advanced by Commodore Sales were used for travelling and for construction costs of a display home.

In view of the nominal equity in the Company and the use to which the funds were put, an allowance of 50% was warranted.

Allowance required, say..... \$ 8,000

### **Debtor—L. F. WINCHELL**

Balance Receivable at December 31, 1963..... \$ 4,743

#### **Latest Financial Report**

No financial details available.

#### **Allowance for Bad Debts**

This account had a satisfactory payment pattern. There was no reason to doubt its collectibility.

Allowance required..... Nil

## APPENDIX J

### Commodore Sales Acceptance Limited—(Continued)

#### Debtor—NATIONAL CORDAGE CO.

Balance Receivable at December 31, 1963 ..... \$ 28,302

##### Latest Financial Report

Interim report available at May 31, 1963.

Last audited report was prepared by Ben Gotlib, C.A. at October 31, 1962.

##### Major Assets (May 31, 1963)

Accounts receivable ..... \$ 131,183  
Inventory and goods in transit ..... 143,400

##### Major Liabilities

Accounts payable ..... \$ 225,619  
Net tangible assets—October 31, 1962 ..... \$ 34,180  
Latest profit—seven months to May 31, 1963 ..... \$ 32,988

##### Allowance for Bad Debts

In view of the acceptable financial condition of this Company, no allowance was required.

Allowance ..... Nil

#### Debtor—AMERICAN METROPOLITAN ENTERPRISES LTD.

Balance Receivable at December 31, 1963 ..... \$ 5,150

##### Latest Financial Report

No financial statements available.

##### Allowance for Bad Debts

This account reflected a satisfactory repayment pattern.

Allowance required ..... Nil

#### Debtor—McKEE BROS. EASTERN LTD.

Balance Receivable at December 31, 1963 ..... \$ 10,974

##### Latest Financial Report

No financial statements available.

##### Allowance for Bad Debts

This account reflects a satisfactory repayment pattern. No allowance was warranted.

Allowance required ..... Nil



## Commodore Sales Acceptance Limited—(Continued)

### Debtor—VALLEY FARM AND ENTERPRISES LIMITED

Balance Receivable at December 31, 1963 .....	\$ 138,444
<b>Latest Financial Report</b>	
Financial statements prepared without audit by Walton, Wagman & Co. as of June 30, 1963	
<b>Major Assets</b>	
Notes and loans receivable (no allowance) .....	\$ 441,502
Securities .....	346,136
Inventories (horses and livestock) .....	76,911
Fixed assets (net of depreciation) .....	461,071
<b>Major Liabilities</b>	
Notes payable .....	\$1,065,246
Mortgage payable—Hilltop Holdings .....	\$ 42,546
Commodore Sales Acceptance .....	145,436
Other liabilities .....	141,217
Book value of net tangible assets (deficiency) .....	(\$5,735)
Current position (working capital deficiency) .....	(\$277,797)
Recent earnings—profit for year .....	\$ 64,445
<b>Discount—</b>	
Loans receivable	
Canada Motor Products (Toronto) Limited (no distribution to unsecured creditors) .....	\$ 85,000
Fun-A-Marin Limited (complete insolvency—no estimated distribution) .....	10,000
Dallas Holdings Limited (estimated 50% loss to unsecured creditors), or say .....	90,000
Cimcony of Canada Limited (estimated 10% allowance required) .....	10,000
	\$195,000
Fixed assets	
A 1962 appraisal of property showed an \$82,700 value. It would be appropriate to discount fixed assets by say 50%, or .....	230,000
	\$ 425,000
Discount net tangible assets (deficiency) .....	(\$430,000)
<b>Allowance for Bad Debts</b>	
In view of the mortgage security held by Commodore Sales no allowance would be required.	
Allowance required .....	Nil

### Debtor—CORPORATE PLAN LEASING LIMITED

Balance Receivable at December 31, 1963 .....	\$ 86,562
<b>Latest Financial Report</b>	
No financial statements available.	
This loan is secured by direct assignment of mortgages which are paying regularly.	
<b>Allowance for Bad Debts</b>	
Allowance required .....	Nil

**APPENDIX J**

**Commodore Sales Acceptance Limited—(Continued)**

**Debtor—HALVAN EQUIPMENT LEASING**

Balance Receivable at December 31, 1963.....	\$ 2,990
<b>Latest Financial Report</b>	
No financial statements available.	
<b>Allowance for Bad Debts</b>	
This account was paying regularly and there seemed to be no doubt regarding its collectibility.	
Allowance required.....	Nil

**Debtor—MACARDAN INVESTMENTS LIMITED**

Balance Receivable at December 31, 1963.....	\$ 75,179
<b>Latest Financial Report</b>	
No financial statements available.	
<b>Allowance for Bad Debts</b>	
Payments were regular and account was adequately secured by ten notes and mortgages.	
Allowance required.....	Nil

**Debtor—MALAN CONSTRUCTION INC.**

Balance Receivable at December 31, 1963.....	\$ 28,573
<b>Latest Financial Report</b>	
No financial data available.	
<b>Allowance for Bad Debts</b>	
This account reflected a satisfactory repayment pattern.	
Allowance required.....	Nil

**Debtor—J. R. SHEMILT**

Balance Receivable at December 31, 1963.....	\$ 9,545
<b>Latest Financial Report</b>	
No financial data available.	
<b>Allowance for Bad Debts</b>	
This account reflected a satisfactory repayment pattern.	
Allowance required.....	Nil

**Debtor—HARDWOOD IMPORTERS**

Balance Receivable at December 31, 1963.....	\$ 6,929
<b>Latest Financial Report</b>	
No financial data available.	
<b>Allowance for Bad Debts</b>	
This account originated in 1963—there was no reason to doubt its collectibility.	
Allowance required.....	Nil

## COMMODORE FACTORS LIMITED

### Analysis of Accounts Receivable and Bad Debt Allowance Requirements as at December 31, 1963 (in U.S. Funds)

<i>Debtor</i>	<i>Net Amount Owing (less reserves)</i>	<i>Debtor's Financial Position</i>		<i>Required allowance For Bad Debts</i>
		<i>Book Value of Net Tangible Assets</i>	<i>Discounted Net Assets</i>	
Analogue Controls Inc.....	\$ 615,461	\$ 287,060		
Commodore Business Machines Inc. and associated companies.....	502,327	813,303		\$ 100,000
General Spray Service Inc.....	1,265,534	(166,294)	(\$736,000)	570,000
Sprayfoil Corporation.....	138,092	(234,405)	(270,000)	—
Hancock Telecontrol Corporation.....	582,368			30,000
Manhattan Sound Corporation.....	474,140			12,000
Nevil Enterprises Inc.....	512,406	(210,983)	—	125,000
The Symphony Paint Company.....	984,320	(582,681)	(718,000)	600,000
Tools and Molds, Inc.....	403,434	( 37,476)	(188,476)	200,000
New Merritt Enterprises Inc.....	40,000			1,000
Modern Hospital Equipment Designs Limited.....	80,861			68,000
Cook-Eden Farms Inc.....	612			—
S. Pelson and Max Weintraub.....	3,437			2,000
Dealers interest receivable.....	37,095			—
Miscellaneous.....	(711)			—
	<u>\$5,639,376</u>			<u>\$1,708,000</u>
Canadian Dollar Equivalent.....	<u>\$6,097,741</u>			<u>\$1,844,000</u>

## COMMODORE FACTORS LIMITED

### List of Auditors and/or Accountants of Debtor Companies as at December 31, 1963

<i>Debtor</i>	<i>Auditors or Accountants  (As per most recent financial statements or as authorized by the records of the debtor company)</i>	<i>Most Recent Financial Statement</i>		
		<i>Qualified or Opinion</i>	<i>Audited</i>	<i>Withheld Unaudited</i>
Analogue Controls, Inc.....	Leon Davis, C.P.A.	*		
Commodore Business Machines Inc. and associated companies.....	Leon Davis, C.P.A.	*		*
General Spray Service Inc.....	A. Jesse Goldstein & Co.			*
Sprayfoil Corporation.....	Walton, Wagman & Co. and/or successor firm			*
Hancock Telecontrol Corporation.....	Not known			
Manhattan Sound Corporation.....	Joseph D. Blau & Co.			
Nevil Enterprises Inc.....	Not known			
The Symphony Paint Company.....	Smith, Winston, Wolman, Roth & Smith	*		
Tools and Molds, Inc.....	Not known			*
New Merritt Enterprises.....	Not known			
Modern Hospital Equipment Design.....	Not known			
Cook-Eden Farms Inc.....	Not known			
S. Pelson, and Max Weintraub.....	Not known			
Dealers interest receivable.....	—			
Miscellaneous.....	—			

## APPENDIX J

### COMMODORE FACTORS LIMITED Debtor—ANALOGUE CONTROLS INC.

Balance Receivable at December 31, 1963..... \$ 615,461

#### Latest Financial Report

Audited financial statements issued by Leon Davis, C.P.A. as at October 31, 1963.

#### Major Assets

Accounts receivable pledged to Commodore Factors.....	\$ 203,906
Merchandise inventories.....	950,488
Fixed assets (less depreciation of \$264,877).....	212,613
Intangibles.....	174,081

#### Major Liabilities

Notes payable—(secured by pledge of accounts receivable and fixed assets to Commodore Factors).....	\$ 695,833
Other current payables.....	244,249
Subordinated debentures.....	166,000
Equity.....	\$ 461,141
Net tangible assets.....	\$ 287,060
Current position—over \$200,000	
Latest earnings (on sales of \$1.5 million).....	\$ 72,800

#### Allowance for Bad Debts

On the basis of the reported information, no allowance was necessary.

Allowance required..... Nil

### Debtor—COMMODORE BUSINESS MACHINES INC. AND ASSOCIATED COMPANIES

Balance Receivable at December 31, 1963—

Commodore Business Machines Inc. Notes receivable.....	\$ 127,397
Commodore Business Machines Inc. Loan account.....	(416,411)
Commodore Drycopy Inc.....	56,000
A.C.E. Business Machines Inc.....	410,000
Jay-Man Distributors Inc.....	325,341

Total amount receivable at December 31, 1964..... \$ 502,327

#### Latest Financial Reports

Commodore Business Machines (Canada) Limited and its subsidiaries including Commodore Business Machines Inc. and Commodore Drycopy Inc.—audited report prepared by Rose & Harrison at June 30, 1963.  
Jay-Man Distributors Inc.—unaudited report prepared at April 30, 1964 and April 30, 1965.  
A.C.E. Business Machines Inc.—no financial data available.

#### Financial Position—Net tangible assets

Commodore Business Machines (Canada) Limited and its subsidiaries.....	\$ 915,270
Jay-Man Distributors Inc.—April 30, 1964.....	(\$ 101,967)
	\$ 813,303

#### Allowance for Bad Debts

Whereas the information available to us indicates that these companies were related by common shareholders, there was no legal commitment on the part of Commodore Business Machines to guarantee the loans of A.C.E. and Jay-Man. However, the above deposit with Commodore Factors by Commodore Business Machines of \$416,411 did seem to bear a relationship to the loan to A.C.E. and as long as this remained on deposit it may have been reasonable to view the A.C.E. loan as fully secured.

The Jay-Man loans were of extremely doubtful collectibility in view of the serious capital impairment of that Company. An allowance about equal to the impairment would be reasonable in the circumstances.

The Commodore subsidiaries required no allowance in view of Commodore Business Machines (Canada) Limited's reported financial stability.

Allowance required, say..... \$ 100,000



## Commodore Factors Limited—(Continued)

### Debtor—GENERAL SPRAY SERVICE INC.

Balance Receivable at December 31, 1963 (including dealer's truck lease-purchase financing) .....	\$ 1,265,534
---	--------------

#### Latest Financial Report

Unaudited financial statements prepared by A. Jesse Goldstein & Co. for the debtor in possession at October 8, 1963.

This Company was administered, subsequently, under a March 20, 1964 "plan of arrangement" as provided for under Chapter XI of the U.S. Bankruptcy Act.

#### Major Assets

Accounts receivable.....	\$ 110,955
Inventories.....	349,773
Investment in Sprayfoil Corporation.....	177,382
Due from Sprayfoil Corporation.....	145,629
Other assets.....	93,986

#### Major Liabilities (\*Note)

Secured notes payable—Banks.....	\$ 54,444
Secured notes payable—Commodore Factors Limited (net of holdbacks on contracts).....	248,114
Taxes and wages payable.....	24,161
General Liabilities.....	520,403
Debenture bonds (net of deposits on repurchase of bonds).....	224,030
Shareholders' equity (deficiency)—net tangible assets.....	(\$ 166,294)

#### Security Taken for the Loans

Assignment of truck lease-purchase agreements, assignment of accounts receivable and inventory, chattel mortgages on trucks.

#### Discount Required

Accounts receivable—20% or, say.....	\$ 20,000		
Inventories—20% or, say.....	70,000		
Investment and advances to Sprayfoil Corporation—insolvent—100% or, say.....	320,000		
Truck lease-purchase agreements with dealers—30% or, say.....	160,000		
		\$ 570,000	
Discounted net tangible assets (deficiency) .....			(\$ 736,000)

#### Allowance for Bad Debts

In view of the insolvency and bankruptcy proposal, the following allowance calculation was warranted:

Commodore Factors Limited's loan.....	\$ 1,265,534
Less: Security estimated to be realized on:	
Truck lease-purchase agreements—70% realizable.....	\$ 365,000
Accounts receivable—80% realizable.....	90,955
Inventories—80% realizable.....	279,773
	\$ 735,728
Deduct—security for bank loans (net of cash on hand).....	\$ 41,468
	\$ 571,274

The distribution to unsecured creditors under the creditors arrangement was to be 25 per cent of claims, which would require the balance of any assets and leave Commodore Factors Limited virtually with no recovery on the unpaid portion of its loans.

Allowance required, say.....	\$ 570,000
------------------------------	------------

\*Note: In addition to recorded liabilities shown, the Company was contingently liable to Commodore Factors Limited under the financing of dealer's truck lease-purchase agreements. The amount approximated...

	\$ 525,000
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## APPENDIX J

### Commodore Factors Limited—(Continued)

#### Debtor—SPRAYFOIL CORPORATION

Balance Receivable at December 31, 1963.....	\$ 138,092
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#### Latest Financial Report

Unaudited interim statement prepared by Walton, Wagman & Co. at December 31, 1963.

#### Major Assets

Inventories.....	\$ 173,857
Deferred charges.....	32,527

#### Major Liabilities

Notes and loans payable.....	\$ 378,524
Accounts payable.....	56,655
Shareholders' equity (deficiency).....	(\$ 201,878)
Net tangible assets (deficiency).....	(\$ 234,405)
Latest earnings (loss for year).....	(\$ 104,069)
Current position (working capital deficiency).....	(\$ 246,653)
Discount required—inventories—20% on liquidation, or say.....	\$ 35,000
Discounted net tangible assets (deficiency).....	(\$ 270,000)

Security held—assignment of inventories and accounts receivable.

#### Allowance for Bad Debts

Owing to Commodore Factors Limited.....	\$ 138,092
Less: Security available.....	
Accounts receivable.....	\$ 9,125
Inventory—80% realizable.....	138,857
	<u>\$ 147,982</u>
This account appeared fully secured. Allowance required.....	<u>Nil</u>

#### Debtor—HANCOCK TELECONTROL CORPORATION

Balance Receivable at December 31, 1963.....	\$ 582,368
--	------------

#### Latest Financial Report

No financial data readily available.

#### Allowance Requirements

Although payments are being received regularly on this account, the payments are lagging significantly behind new loans. For example, of the amount of \$271,860 owing at the beginning of the year, approximately \$80,000 was still owing at the end of the year. In addition, new loans of approximately \$500,000 had been made during 1963.

In the circumstances, and in the absence of any apparent security, an allowance of at least 5% would be warranted. Say.....

\$ 30,000
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## Commodore Factors Limited—(Continued)

### Debtor—MANHATTAN SOUND CORPORATION

Balance Receivable at December 31, 1963.....	\$ 474,140
--	------------

#### Latest Financial Report

No financial data available.

Security held—Assignment of accounts receivable and machinery and equipment.

#### Allowance for Bad Debts

This account was opened in December 1962 with an instalment note loan of over \$150,000 on which interest and principal were paid during 1963. New loans, apparently adequately secured, were made during 1963. There was no reason to expect any collection difficulties with this account.

Allowance required—general provision of 2½% Say.....	\$ 12,000
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### Debtor—NEVIL ENTERPRISES INC.

Balance Receivable at December 31, 1963.....	\$ 512,406
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#### Latest Financial Report

No audited financial statements available—apparently none were ever prepared. However, financial information has been obtained from the tax files of the Company (Exhibit 2494).

#### Major Assets (July 31, 1963)

Accounts receivable.....	\$ 184,279
Inventory.....	186,959
Fixed assets.....	65,870
Patents.....	1,000,000

#### Major Liabilities

Bank overdraft and accounts payable.....	\$ 133,989
Due to Atlantic Acceptance Group.....	462,333
Due to Associated Companies (net).....	57,724

#### Equity—

Share capital (presumed contribution of patents—apparently an arbitrary valuation).....	\$ 1,000,000	
Deficit.....	(210,983)	\$ 789,017

Recent earnings (loss in this first year of operation).....	(\$ 210,983)
---	--------------

Book value of net tangible assets (patents regarded as intangible assets)—(deficiency).....	(\$ 210,983)
---	--------------

Security—apparently none.

Repayment pattern—unfavourable.

#### Comments

A copy of a letter dated March 28, 1962, addressed to the Manager, The Bank of Nova Scotia and signed by Neville Levinson and Paula Drew, President and Secretary of Nevil Enterprises Inc. (Exhibit 2491) indicates that Powell Morgan is a Vice-President and Director of the Company.

#### Allowance Requirements

Because of reasonable doubt concerning the fairness of the book valuation of patents, the unfavourable repayment pattern, the loss experience of the Company and lack of information on which to measure the Company's possibilities of achieving a profitable operation in the future, an allowance of at least 25% would seem to be warranted. Say.....

	\$ 125,000
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## APPENDIX J

### Commodore Factors Limited—(Continued)

#### Debtor—THE SYMPHONY PAINT COMPANY

Balance Receivable at December 31, 1963..... \$ 984,320

#### Latest Financial Report

Unqualified audit report prepared by Smith, Winston, Wolman, Roth & Smith at December 31, 1963.

#### Major Assets

Accounts receivable (allowance \$4,559).....	\$ 115,176
Loan to Jacroy Canada Limited.....	12,306
Inventories.....	255,846
Fixed assets (depreciation \$125,596).....	168,602
Development costs.....	55,747

#### Major Liabilities

Accounts payable.....	\$ 61,808
Loans payable—short-term.....	612,882
Mortgage payable.....	26,112
Loans payable—long-term.....	398,529
Equity (deficiency).....	(\$526,934)
Net tangible assets (deficiency).....	(\$582,681)

#### Discount of Assets

Receivable from Jacroy Canada Limited an insolvent company—no proceeds expected.....	\$ 12,000
Accounts receivable—say 20% discount on liquidation.....	23,000
Inventory—say 20% discount on liquidation.....	50,000
Fixed assets—say 30% discount on liquidation.....	50,000
	<u>\$ 135,000</u>
Discounted net tangible assets (deficiency).....	(\$ 718,000)

#### Allowance for Bad Debts

This Company was apparently controlled by C. P. Morgan, the President of Commodore Factors Limited. This Company's retained earnings had been in a deficit position since Commodore Factors Limited first started loaning funds to the Company in December 1961. Since 1962 the Company's financial statements showed an insolvent position.

The allowance for bad debts on this account should be as follows:

Total loan of Commodore Factors Limited.....	\$ 984,320
Less: Security at estimated realizable value Accounts receivable (80% realizable).....	92,176
Inventory (80% realizable).....	205,846
	<u>298,022</u>
Balance unsecured.....	\$ 686,298
Other unsecured creditors (\$158,278 less mortgage of \$26,112 and insurance loans of \$10,338).....	121,828
Total unsecured claims.....	<u>\$ 808,126</u>

#### Available to meet unsecured claims:

Cash.....	\$692
Fixed assets—70% realizable.....	\$ 118,602
Less: Mortgage.....	26,112
	<u>92,490</u>
Cash surrender value of Life Insurance Policy.....	\$ 14,617
Less: Life Insurance loan.....	10,338
	<u>4,279</u>
Deposits and other.....	2,426
	<u>\$ 99,887</u>

Apparent deficiency to unsecured creditors..... (\$ 708,239)

Expected percentage loss on unsecured loans \$708,239/\$808,126—88%.

Required allowance on Commodore Factors Limited's unsecured portion of the loan (88% of \$686,298) or, say, \$ 600,000



## Commodore Factors Limited—(Continued)

### Debtor—TOOLS & MOLDS INC.

Balance Receivable at December 31, 1963.....	\$ 403,434
--	------------

#### Latest Financial Report

No audited financial statements available (apparently none were ever prepared). However, financial information has been obtained from the tax files of the Company (Exhibit 2495).

#### Major Assets (April 30, 1964)

Due from Nevil Enterprises Inc. ....	\$ 91,500
Molds and dies .....	256,000

#### Major Liabilities

Due to Atlantic Acceptance Group. ....	\$ 384,976
Equity (impairment) net tangible assets.....	(\$ 37,476)
Recent earnings (loss for year).....	(\$ 37,476)
Security taken—chattel mortgage.....	
Discounted net tangible assets:	
Book value as above (deficiency).....	(\$ 37,476)
Allowance required on account receivable from Nevil Enterprises Inc. (see schedule on Nevil Enterprises Ltd.)—25% say.....	23,000
Tools and molds—50% on liquidation basis .....	128,000
Deficiency of net assets.....	(\$ 188,476)

#### Comments

This Company was incorporated in 1963 as a New York Company for the apparent purpose of purchasing tools and molds from Nevil Enterprises Inc. and leasing them back. As shown by a certification document dated May 15, 1963 and addressed to the Chemical Bank New York Trust Company, the officers of Tools & Molds Inc. are shown to be as follows: N. Levinson—President; P. Morgan—Vice-President and P. Drew—Secretary (Exhibit 2492).

Also in May 1963, Commodore Factors loaned the Company \$420,000 which money was used as follows:

\$320,000 to purchase the tools and molds from Nevil Enterprises Inc. and \$100,000 to loan to the same Company. Nevil Enterprises paid \$350,000 of this money back to Commodore Factors to reduce its loan account.

The loan to Tools & Molds was repayable in five years with an effective interest of about 14% per annum.

A chattel mortgage on the tools and molds was given as security to Commodore Factors Limited.

#### Allowance Requirements

Monthly payments were made regularly in 1963 but the January 1964 payment was missed owing to an N.S.F. cheque from Tools & Molds. Further, the loss experience of the Company and the deficiency of discounted net assets would concern an auditor reviewing the account for collectibility and would cause him to look to the security held.

Balance owing on account.....	\$ 403,434
Estimated realizable value of assets:	
Accounts receivable from Nevil Enterprises Inc. ....	\$ 91,500
Less discount as above.....	23,000
	68,500
Tools and molds (discounted 50% liquidation basis) .....	128,000
	196,500
Allowance required.....	\$ 206,934
Say.....	\$ 200,000

## APPENDIX J

### Commodore Factors Limited—(Continued)

#### Debtor—NEW MERRITT ENTERPRISES INC.

Balance Receivable at December 31, 1963..... \$ 40,000

##### Latest Financial Report

No financial data available.

##### Allowance Requirements

This account represents five notes becoming due in April and May of 1964. The interest rate is 10% which would indicate the account to be of medium risk. A general allowance of 2½% would be warranted.

\$ 1,000

#### Debtor—MODERN HOSPITAL EQUIPMENT DESIGNS LIMITED

Balance Receivable at December 31, 1963..... \$ 80,861

##### Latest Financial Report

No financial data available.

##### Allowance Requirements

Commodore Factors wrote-off \$55,358 with respect to this account in March of 1964. Presumably there must have been sufficient information available to the Company to warrant allowing at least that amount as of December 31, 1963.....

\$ 55,358

With respect to the balance owing of \$25,503, the item is described in the record of Commodore Factors as "Notes Receivable" with a notation, "Assignment of U.S. and Canadian patent rights of bed sides." No payments have been received on this account since its inception in 1962 and in the absence of information regarding the value of the above patent rights, an allowance of 50% would be warranted.....

12,752

Allowance required.....

\$ 68,110

Say.....

\$ 68,000

#### Debtor—S. PELSON AND MAX WEINTRAUB

Balance Receivable at December 31, 1963..... \$ 3,437

##### Latest Financial Report

No financial data available.

##### Allowance Requirements

Mr. S. PELSON—\$1,196

No payments had been received on this account which originated in 1961.

An allowance of 100% should be provided.....

\$ 1,196

Mr. MAX WEINTRAUB—\$2,241

This account originated in 1961 as a 180-day note bearing interest at 18%. The note appears to have been extended for a further 180 days in May of 1962 and the interest rate increased to 20%.

The ledger contains a notation which indicates that the account was turned over to the legal firm of Solomon and Singer for collection in February of 1963.

Collections have been received sporadically both before and after that date.

Allowance required, say 50%.....

\$ 1,120

\$ 2,316

Say.....

\$ 2,000

# ADELAIDE ACCEPTANCE LIMITED

## Analysis of Accounts Receivable and Bad Debt Allowance Requirements as at December 31, 1963

(Net of unearned interest)

<i>Debtor</i>	<i>Amount</i>	<i>Debtor's Financial Position</i>		<i>Required Allowance For Bad Debts</i>
		<i>Book Value of Net Tangible Assets</i>	<i>Discounted Net Assets</i>	
Aurora Leasing Corporation Limited.....	\$2,466,790	\$ 343,140	(\$1,601,860)	\$1,300,000
H. T. Barthwick.....	15,150			—
Commodore Sales Acceptance—Dalite Corporation Debenture.....	290,000	(607,203)	(1,424,000)	—
Dalite Corporation (Canada) Limited.....	(32,047)			
V. Ferrara (Fleetwood).....	5,326			1,000
Frederick's Department Store Limited.....	604,500	(467,592)	( 677,300)	604,000
Mersey Lanes Ltd. (Fleetwood).....	22,199			9,000
Nevil Enterprises Inc.....	17,135	(210,983)		4,000
Nevil Plastics Limited.....	439,106	( 68,203)		100,000
Opekar Investments Limited.....	85,603	5,734		17,000
Phantom Industries Limited.....	327,823	865,901	31,000	—
Premier Bowl (Fleetwood).....	29,982			6,000
Romfield Associates.....	695,000			—
Louis Sheriff Limited.....	59,819	( 49,182)		30,000
Toppler Bowl (Fleetwood).....	49,703			10,000
Valley Farm and Enterprises Limited.....	251,805	( 5,735)	( 430,000)	80,000
E. Yeoman (Fleetwood).....	6,773			1,000
Fleetwood Bowling Equipment Limited.....	(16,075)			(3,000)
P. W. Thetford.....	2,352			—
	<u>\$5,320,944</u>			
Less unlocated deferral of revenue.....	(73,888)			
Totals.....	<u>\$5,247,056</u>			<u>\$2,159,000</u>

ADELAIDE ACCEPTANCE LIMITED  
List of Auditors and/or Accounts of Debtor Companies  
as at December 31, 1963

Debtor	Auditors or Accountants		Most Recent Financial Statement		
	(As per most recent financial statements or as authorized by the records of the debtor company)		Qualified or Opinion		
			Audited	Withheld	Unaudited
Aurora Leasing Corporation Limited.....	Walton, Wagman & Co. and/or successor firm		*		
H. T. Barthwick.....	—				
Commodore Sales Acceptance—Dalite Corp. Debenture.....	} Walton, Wagman & Co. and/or successor firm				*
Dalite Corporation (Canada) Limited.....					
V. Ferrara (Fleetwood).....	—				
Frederick's Department Store Limited.....	Walton, Wagman & Co. and/or successor firm		*		
Mersey Lanes Ltd. (Fleetwood).....	Not known				
Nevil Enterprises Inc.....	Not known				*
Nevil Plastics Limited.....	Not known				*
Opekar Investments Limited.....	McLeod, Dickson & Co.				*
Phantom Industries Limited.....	Pape, Strom, Sherman & Company				*
Premier Bowl (Fleetwood).....	Not known				
Romfield Associates.....	Not known				
Louis Sheriff Limited.....	Sobel, Sherman and Company		*		
Toppler Bowl (Fleetwood).....	Not known				
Valley Farm and Enterprises Limited.....	Walton, Wagman & Co. and/or successor firm				*
E. Yeoman (Fleetwood).....	—				
Fleetwood Bowling Equipment Limited.....	Not known				
P. W. Thetford.....	—				



# Adelaide Acceptance Limited—(Continued)

## Debtor—AURORA LEASING CORPORATION LIMITED

Balance Receivable at December 31, 1963..... \$ 2,466,790

### Latest Financial Report

Audited financial statements prepared by Walton, Wagman & Co. at December 31, 1963.

### Major Assets

Term accounts receivable.....	\$ 1,693,916
Notes receivable.....	2,417,847
Call notes receivable.....	5,045,042
Equipment (less depreciation).....	<u>1,348,761</u>

### Major Liabilities

Secured notes payable.....	\$ 8,170,515
Convertible unsecured notes payable.....	559,000
Deferred revenue.....	<u>1,590,303</u>

Shareholders' equity—net tangible assets..... \$ 343,140

Discount of assets—allowance for bad debts required..... \$ 1,945,000

Discounted net tangible assets..... \$ 1,601,860

Security held—(Note 2)

### Major Creditors at December 31, 1963

Commodore Sales Acceptance Limited (Note 1).....	\$ 3,908,339
Adelaide Acceptance Limited (Note 2).....	2,466,790
British Mortgage & Trust Co.....	<u>1,950,000</u>

### Notes

1. Commodore Sales transferred a \$631,000 receivable owing by Dalite Corporation to Aurora Leasing. Aurora Leasing however, never accepted this account or recorded it on its books. Commodore Sales later reversed the transaction and gave Aurora a credit of \$631,000. A formal assignment was never executed.
2. Although Adelaide Acceptance Limited notes were described as "secured" on the Aurora balance sheet, there was no evidence of any registered security.

### Allowance for Bad Debts

Total assets per financial statements.....	\$10,856,574
Less: Deferred revenue.....	<u>1,590,303</u>
Tangible assets available.....	\$ 9,266,271
Less: Estimated allowance for doubtful accounts.....	<u>1,945,000</u>
Estimated realizable value of assets.....	\$ 7,321,271
Less: Preferred creditors including outstanding cheques up to amount of cash in bank.....	<u>44,932</u>
	\$ 7,276,339
Less: British Mortgage & Trust Co. loan secured by specific assignment of book debts.....	\$ 1,905,000
Less: Commodore Sales' loan—secured by a registered general assignment of book debts..	<u>3,908,339</u>
	5,858,339
Available to meet unsecured creditors.....	<u>\$ 1,418,000</u>
Total liabilities.....	\$ 8,923,131
Less: Secured—above.....	<u>5,903,271</u>
	\$ 3,019,860
Unsecured creditors.....	<u>\$ 3,019,860</u>
Percentage recovery to unsecured creditors— $\left(\frac{\$1,418,000}{\$3,019,860}\right)$ —47%	
Allowance required against \$2,466,790 Adelaide loan was 53% or, say.....	<u>\$ 1,300,000</u>

## Debtor—H. T. BARTHWICK

Balance Receivable at December 31, 1963..... \$ 15,150

### Latest Financial Report

No financial data available.

### Allowance Requirements

There was no apparent reason to doubt the collectibility of this account.

Allowance.....	<u>Nil</u>
----------------	------------

## Adelaide Acceptance Limited—(Continued)

**Debtor—DALITE CORPORATION (CANADA) LIMITED**

Balance Receivable at December 31, 1963	
Assignment of debenture by Commodore Sales Acceptance Limited .....	\$ 290,000
Less: Dalite Corporation (Canada) Limited payouts .....	(32,047)
Net amount receivable at December 31, 1963 .....	<u>\$ 257,953</u>

**Latest Financial Report**

Unaudited financial statement as of December 31, 1963, obtained from files of Walton, Wagman & Co.

**NOTE 1**

Copy of affidavit on file signed by C. Powell Morgan and dated November 1, 1962 (Exhibit 2845):  
 "I, C. Powell Morgan, the beneficial owner of shares of Dalite Corporation (Canada) Limited held by Carl M. Solomon, in trust, hereby consent to the appointment of Glick and Levine as auditors of the Company to replace Walton, Wagman & Co."

**NOTE 2**

Copy of registered letter on file (Exhibit 2940. 1) from Glick and Levine to Mr. Eugene Last, President of Dalite, with carbon copy to C. Powell Morgan, dated June 11, 1963—Glick and Levine resign as auditors of the Company "effective immediately and do not intend to complete the financial statements for the fiscal period ended December 31, 1962 beyond the preliminary drafts now in your possession." Reason given: "We cannot agree on the methods adopted by your Company."

**NOTE 3**

Following the resignation of Glick and Levine, Walton, Wagman & Co. and successor firm performed accounting services for the Company until 1965, but did not report on any financial statements.

**Major Assets**

Accounts receivable (less 21% allowance for doubtful accounts \$87,000) .....	\$ 323,237
Advances to Associated Company .....	87,842
Inventory .....	1,218,404
Fixed assets—less depreciation .....	82,625
Investments (of which \$561,000 represents capital surplus "gain" and not cash investment) .....	566,000
Patents, pre-operational and development costs and other intangibles .....	729,124

**Major Liabilities**

Notes payable—secured	
Due to Commodore Sales Acceptance Limited—notes .....	\$ 1,354,619
—floating charge debenture .....	631,000
Adelaide Acceptance Limited—floating charge debenture .....	\$ 1,985,619
Note payable to and advances from Director .....	251,762
Bank overdraft, accounts payable and accrued .....	122,343
	525,587
Book value of net tangible assets(deficiency) .....	(\$ 607,203)
Current position (working capital deficiency) .....	(\$ 902,436)
Latest earnings (loss for 1963 fiscal year) .....	(\$ 14,088)
on sales of— .....	\$ 1,709,217
Discounted net tangible assets—	
Book value as above (deficiency) .....	(\$ 607,000)
Add provision for loss of other operating assets at the same rate as accounts receivable—	
Inventory—20% .....	(\$ 240,000)
Fixed assets—20% .....	( 16,000)
Investments (non-cash transaction set up in 1962 in the financial statements prepared by Walton, Wagman & Co.) .....	( 561,000)
	(\$ 1,424,000)

**Allowance Requirements**

The regular payment pattern of this account and its secured nature would indicate a probable collectibility regardless of the insolvency of Dalite Corporation (Canada) Limited.

Allowance required .....	<u>Nil</u>
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## Adelaide Acceptance Limited—(Continued)

### Debtor—FLEETWOOD BOWLING EQUIPMENT LIMITED ACCOUNTS

Individual Accounts	Balance at December 31, 1963	Allowance Requirements	
		%	Amounts
V. Ferrara.....	\$ 5,326	20	\$ 1,000
Mersey Lanes Ltd.....	22,199	40	9,000
Premier Bowl.....	29,982	20	6,000
Toppler Bowl.....	49,703	20	10,000
Mrs. E. Yeoman.....	6,773	20	1,000
Fleetwood (sundry credits).....	(16,075)	20	(3,000)
Total.....	<u>\$97,908</u>		<u>\$24,000</u>

#### Comments

The above accounts originated in 1962 or in some cases in 1963 through the purchase from Fleetwood Bowling Equipment Limited of conditional sales contracts. Apparently the Fleetwood Company became bankrupt and Adelaide Acceptance Corporation found it necessary to deal directly with the individual parties to the contracts.

#### Allowance Requirements

Generally speaking, payments on the above accounts were slow. The accounts seem to warrant at least a 20% allowance with the exception of Mersey Lanes which originated in 1962 and which seems particularly slow in making payments and therefore warrants a 40% allowance.

### Debtor—FREDERICK'S DEPARTMENT STORE LIMITED

Balance Receivable at December 31, 1963.....	<u>\$ 604,500</u>
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#### Latest Financial Report

Audited financial statements issued by Wagman, Fruitman & Lando as of January 31, 1964 (Exhibit 260)

#### Major Assets

Inventory.....	\$ 300,462
Investment in F. C. Adams Ltd. (wholly-owned subsidiary) at cost, less substantial provision for possible losses.....	89,708
Intangibles.....	44,656

#### Major Liabilities

Bank overdraft, accounts payable and accrued.....	\$ 80,495
Notes payable.....	194,000
secured by floating charge on the operations and assets of the Company (payable to Adelaide).....	600,000
Equity (deficit).....	(\$422,936)
Book value of net tangible assets (deficiency).....	(\$467,592)
Latest earning (loss for year) on sales of \$1,315,541.....	(\$314,649)
Commitments—	
25 year lease of London store premises at annual rental of \$110,000 (1961).....	\$ 2,502,500
lease of store equipment and fixtures from Aurora (1961 and 1963).....	176,628

#### Allowance Requirements

Book value of net tangible assets (deficiency)—as above.....	(\$467,592)
--	-------------

#### Add

Provision for possible losses in event of liquidation or sale—Inventory—50%.....	150,000
Investment in F. C. Adams (see below)	
Book value as above.....	\$ 89,708
Estimated realizable value.....	30,000

Discounted net assets (deficiency).....	<u>(\$677,300)</u>
---	--------------------

Assuming that continued operating losses and expenses on liquidation will more than account for the remaining estimated net tangible assets, a 100% allowance is required. Say.....

\$ 604,000

#### NOTE

##### Evaluation of Investment in F. C. Adams

Auditors note to financial statements indicate that book value of net tangible assets as at December 31, 1963 is only \$62,392. Considering that the Company's latest reported operating results are a loss of \$3,827, realizable value on sale or liquidation is estimated at 50%, or \$30,000.

## APPENDIX J

### Adelaide Acceptance Limited—(Continued)

#### Debtor—NEVIL ENTERPRISES INC.

Balance Receivable at December 31, 1963.....	\$ 17,135
--	-----------

#### Latest Financial Report

No audited financial statements available—apparently none were ever prepared. However, financial information has been obtained from the tax files of the Company (Exhibit 2494).

#### Major Assets (July 31, 1963)

Accounts receivable.....	\$ 184,279
Inventory.....	186,959
Fixed Assets.....	65,870
Patents.....	1,000,000

#### Major Liabilities

Bank overdraft and accounts payable.....	\$ 133,989
Due to Atlantic Acceptance Group.....	462,333
Due to Associated Companies (net).....	57,724

#### Equity—

Share capital (presumed contribution of patents—apparently an arbitrary valuation).....	1,000,000	
Deficit.....	(210,983)	\$ 789,017

Recent earnings (loss in this first year of operation).....	(\$210,983)
---	-------------

Book value of net tangible assets (patents regarded as intangible assets)—(deficiency).....	(\$210,983)
---	-------------

Security—apparently none.

Repayment pattern—This account was reduced by \$115,323 from \$132,458 to \$17,135 during 1963 primarily owing to a refinancing operation which resulted in transferring loans from this Company to Nevil Plastics Limited.

#### Allowance Requirements

Because of reasonable doubt concerning the fairness of the book valuation of patents, the unfavourable repayment pattern, the loss experience of the Company and lack of information on which to measure the Company's possibilities of achieving a profitable operation in the future, an allowance of at least 25% would seem to be warranted. Say.....

\$ 4,000
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## Adelaide Acceptance Limited—(Continued)

### Debtor—NEVIL PLASTICS LIMITED

Balance Receivable at December 31, 1963 .....	\$ 439,106
---	------------

#### Latest Financial Report

No audited financial statements available—apparently none were ever prepared. However, financial information has been obtained from the tax files of the Company (Exhibit 2490)

#### Major Assets (February 28, 1963

Due from Associated Companies .....	\$ 227,118
-------------------------------------	------------

#### Major Liabilities

Due to Atlantic Acceptance Group .....	\$ 279,375
--	------------

Equity (impairment) .....	(\$68,203)
---------------------------	------------

Recent earnings (small profit less write-offs of land options) .....	(\$5,272)
--	-----------

Security taken—apparently none.

Repayment pattern—loans to this Company increased by \$149,915 from \$289,191 to \$439,106 in 1963, which increase consists mostly of a transfer of loans from Nevil Enterprises Inc. to Nevil Plastics Limited as a refinancing operation. Up until April 1964 only about \$20,000 had been repaid on the Nevil Plastics and Nevil Enterprises Inc. account combined.

#### Comments

Although the Wagman firm were not the auditors or accountants of the Nevil group of companies, the firm would be aware of total loans to the group by the Atlantic subsidiaries through their audits of these subsidiaries. Also, Mr. Wagman may have known of Mr. Morgan's personal friendship with Mr. Levinson, which knowledge would assist in evaluating the collectibility of the account.

#### Allowance Requirements

The only major asset of this Company was an advance to associated companies which are in an impaired condition. There was reasonable doubt as to the collectibility and value of this asset.

Because of the lack of information, the impaired equity position, and the high-risk nature of Adelaide's clients in general, an allowance of some kind would be almost mandatory; in our opinion an allowance of 25% would be prudent in the circumstances. Say .....

\$ 100,000
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## APPENDIX J

### Adelaide Acceptance Limited—(Continued)

#### Debtor—OPEKAR INVESTMENTS LIMITED

Balance Receivable at December 31, 1963.....			\$ 85,603
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#### Latest Financial Report

Unaudited financial statements as at May 31, 1964 prepared by McLeod, Dickson & Co. Toronto. The accountants' comments are dated July 15, 1965.

#### Major Assets (May 31, 1964)

Investments—at cost or market			
100,400 shares Ram Petroleum at 63¢.....	\$	63,252	
Other.....		21,502	\$ 84,702
Oil leases and drilling expenses.....			10,068

#### Major Liabilities

Bank loan (secured).....	\$	13,350
Loans payable.....		85,350
Equity.....	\$	6,163
Book value of net tangible assets.....	\$	5,734
Recent earnings (loss for year).....		(\$57)

#### Comments

Mr. R. J. Opekar was President of Opekar Investments Limited, Ram Petroleum Limited and R. J. Opekar Ltd., under which name he operated an investment dealership (he was not a member of the Investment Dealers' Association).

As of March 1964 he withdrew his investment dealership licence presumably owing to pressure of the Ontario Securities Commission who noted that his Company had inadequate records and had defaulted in an underwriting agreement for Ram Petroleum.

Opekar Investments Limited apparently was incorporated in June 1963. This Company, in 1963, purchased 100,400 shares of Ram Petroleum Limited at 85¢ each or \$85,350, which money was borrowed from Adelaide for the purpose. (Most of the balance of the 250,000 share issue was purchased by Dallas Holdings Limited—see schedule on Dallas.)

#### Allowance Requirements

Although the above financial data may not have been available to the auditors of Adelaide at date of their audit, the background information would have. Considering the background of the loan, and assuming that the Ram shares may have been lodged as security with Adelaide, an allowance of a 20% margin would seem prudent.

Say.....	\$	17,000
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## Adelaide Acceptance Limited—(Continued)

### Debtor—PHANTOM INDUSTRIES LIMITED

Balance Receivable at December 31, 1963..... \$ 327,823

#### Latest Financial Report

Financial statements and audit report of Pape, Strom, Sherman & Co. qualified as to lack of provision of depreciation in amount of \$72,766 at December 31, 1962.

#### Major Assets

Accounts receivable (less unstated allowance for doubtful accounts).....	\$ 565,811
Inventories at lower of cost or market.....	828,614
Shares and advances in subsidiaries.....	1,280,738
Fixed assets (less depreciation).....	957,580
Intangibles.....	397,065

#### Major Liabilities

Bank overdraft and accounts payable.....	\$ 422,232
5½% first mortgage bonds.....	500,000
Notes payable.....	210,994
Convertible debentures.....	800,000
Due to affiliated Company—Nordic Hosiery.....	821,080

Equity..... \$ 1,262,966

Recent earnings (loss for year 1962)..... (\$308,145)  
(loss for year 1961)..... (\$209,816)

Book value of net tangible assets..... \$ 865,901

#### Discounted Net Tangible Assets

The Company went into receivership in February, 1964. Assuming knowledge of this Company's financial difficulties would be available to the Adelaide auditors at date of their audit, the Phantom account would be considered on a liquidation basis:

Equity—as above.....	\$ 1,262,966
Less allowances on:	
Intangibles—100%.....	\$397,065
Accounts receivable—20%.....	113,100
Inventories—20%.....	165,700
Subsidiaries—shares 20%.....	146,500
—advances 20%.....	109,600
Fixed assets—33⅓% Say.....	300,000
	1,231,965

Discounted net tangible assets..... \$ 31,001

#### Security taken—

1. Second mortgage for \$250,000 and
2. Third mortgage for \$50,000 on Hamilton property.

#### Allowance Requirements

Although the Company had been experiencing operating losses and was in receivership, the security held by Adelaide may reasonably have been considered adequate.

Allowance.....	Nil
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## APPENDIX J

### Adelaide Acceptance Limited—(Continued)

#### Debtor—ROMFIELD ASSOCIATES

Balance Receivable at December 31, 1963..... \$ 695,000

##### Latest Financial Report

No financial data available.

Security held—Second mortgage on 52.5 acres of prime commercial property—of which 27 acres were to be expropriated at an estimated \$75,000 to \$100,000 per acre. The first mortgage on the property was \$2,025,000.

##### Allowance Requirements

This loan was made in connection with the purchase of some land adjacent to the Yorkdale Shopping Plaza in Toronto. Interest payments were being made on schedule and the principal did not fall due until May 28, 1965.

In view of adequate security and satisfactory payments, it can reasonably be assumed that had an auditor made appropriate enquiries into the account as at December 31, 1963, he would have considered no allowance to be required.

Allowance required..... Nil

#### Debtor—LOUIS SHERIFF LIMITED

Balance Receivable at December 31, 1963..... \$ 59,819

##### Latest Financial Report

Audited financial statements as at December 31, 1963 issued by Sobel, Sherman & Co. Toronto.

##### Major Assets

Machinery and equipment (less depreciation of \$15,882)..... \$ 23,723

##### Major Liabilities

Accounts payable and outstanding cheques..... \$ 17,210

Notes payable—Adelaide—due October 15, 1970..... 56,663

Equity (impairment)..... (\$48,759)

Recent earnings (loss for year)..... (\$34,108)

Book value of net tangible assets (deficiency)..... (\$49,182)

##### Security taken—

Registered assignment of leases on machines of Towers Marts and Properties Limited and Sentry Department Stores Limited.

##### Allowance Requirements

No payments were received on this account since July 1963. In view of the insolvency of this Company and the continuing loss experience, an auditor would look to the worth of the security held. The financial statements and accompanying notes seem rather to confuse than assist in determining the value of such security. For example, the repairs and maintenance expenditures on rented equipment seem high in relation to rental revenue; further, there is litigation in connection with the rental operation.

Considering the long-term nature of the loans and the doubtful worth of the security held, an allowance of 50% seems warranted. Say..... \$ 30,000



## Adelaide Acceptance Limited—(Continued)

### Debtor—VALLEY FARM AND ENTERPRISES LIMITED

Balance Receivable at December 31, 1963.....	\$ 251,805
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#### Latest Financial Report

Financial statements prepared without audit by Walton, Wagman & Co. as of June 30, 1963.

#### Major Assets

Notes and loans receivable (no allowance).....	\$ 441,502
Securities.....	346,136
Inventories (horses and livestock).....	76,911
Fixed assets (net of depreciation).....	461,071

#### Major Liabilities

Notes payable.....		\$ 1,065,246
Mortgage payable—Hilltop Holdings.....	\$ 42,546	
Commodore Sales Acceptance.....	145,436	187,982

Other liabilities.....	141,217
------------------------	---------

Book value of net tangible assets (deficiency).....	(\$5,735)
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Current position (working capital deficiency).....	(\$277,797)
--	-------------

Recent earnings—profit for year.....	\$ 64,445
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#### Discount—

##### Loans receivable

Canada Motor Products (Toronto) Limited (no distribution to unsecured creditors).....	\$ 85,000
Fun-A-Marin Limited (complete insolvency—no estimated distribution).....	10,000
Dallas Holdings Limited (estimated 50% loss to unsecured creditors), or say.....	90,000
Cimcony of Canada Limited (estimated 10% allowance required).....	10,000

\$ 195,000

##### Fixed assets

A 1962 appraisal of property showed an \$82,700 value. It would be appropriate to discount fixed assets by say 50%, or.....	230,000
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\$ 425,000

Discount net tangible assets (deficiency).....	(\$430,000)
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#### Allowance for Bad Debts

Tangible assets.....	\$ 1,388,710
Less—discount.....	430,000

958,710

Less—mortgage payable to Commodore Sales Acceptance (estimated).....	145,000
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Assets available for unsecured creditors.....	813,710
---	---------

Total unsecured creditors (excluding Hilltop mortgage offset).....	\$ 1,206,464
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Percentage available for unsecured creditors—67%	
--	--

Allowance required—(33% of \$251,805), or say.....	\$ 80,000
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### Debtor—P. W. THETFORD

Balance Receivable at December 31, 1963.....	\$ 2,352
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#### Latest Financial Report

No financial data available.

#### Allowance Requirements

This appears to be a normal loan with no indication of doubtful collectibility. Mr. Thetford was an employee of Atlantic Acceptance.

Allowance.....	Nil
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# APPENDIX J

## AURORA LEASING CORPORATION LIMITED

### Analysis of Accounts Receivable and Bad Debt Allowance Requirements (Including the total value of term accounts re: leases) as at December 31, 1963

Debtor	Net Amounts Owing (less reserves)	Debtor's Financial Position		Required Allowance For Bad Debts
		Book Value Of Net Tangible Assets	Discounted Net Assets	
Atlantic Acceptance Corporation Limited .....	\$ 270,106	\$7,521,874		—
D.H.I. Limited .....	801,636	(80,189)	(\$927,000)	\$ 90,000
Valley Farm and Enterprises Limited .....	1,026,322	(5,735)	(430,000)	340,000
Frederick's Department Store Limited .....	262,653	(467,592)	(677,300)	125,000
Associated Canadian Holdings Limited .....	952,499	1,070,709	(324,499)	130,000
Treasure Island Properties Limited .....	1,148,774			150,000
D. W. Reid—White Oaks Shopping Centre .....	128,202			50,000
Allied Towers Merchants Limited .....	516,268	4,527,455		—
Towers Marts and Properties Limited .....	65,982	(2,757,148)		40,000
Conarm Developments Limited .....	801,709	(237,840)		235,000
Dallas Holdings Limited .....	416,630	(133,302)	(411,700)	200,000
N.G.K. Investments Limited .....	443,771	76,433	(199,181)	150,000
Mastino Developments Limited .....	143,000	(5,357)		124,000
Ottawa Valley Amusements Limited .....	129,335	(55)	( 27,878)	30,000
Charcoal Supply & Sales of Ontario Limited .....	52,278	(179,754)		17,000
Don Mills .....	78,902			20,000
Fun-A-Marin Limited .....	17,895	(6,515)	( 21,215)	18,000
General Spray Service, Inc. ....	86,961	(166,294)		65,000
John Belli Operations Limited .....	91,192	16,563		18,000
G.B.S. Barbecues Limited .....	107,900			—
Meckler and Lazar .....	56,139			25,000
J. A. Brewster .....	10,100			5,000
St. George's Golf & Country Club Ltd. ....	17,716			—
Corporate Plan Leasing Limited .....	4,570	545,518		—
Commodore Sales Acceptance Limited .....	3,989	129,106		—
Township of Michipicoten, Ontario .....	9,243			—
Commodore Business Machines (Canada) Limited .....	264,591	915,270		—
Jacroy Canada Limited .....	11,475	(87,262)		5,000
F. Mann Ltd. ....	1,316			—
Martins (Pembroke) Limited .....	12,235			—
Parkhill Creamery Limited .....	4,296			—
Bond & Cosman Limited .....	107,658	(879,153)	(1,331,291)	108,000
Kathleen Christie .....	70,035			—
Cushing & Company .....	1,350,000			—
	9,465,378			
Less: Miscellaneous Credits .....	(1,313)			
Total Accounts Receivable .....	<u>\$9,464,065</u>			<u>\$1,945,000</u>

# AURORA LEASING CORPORATION LIMITED

## List of Auditors and/or Accounts of Debtor Companies as at December 31, 1963

Debtor	Auditors or Accountants  (As per most recent financial statements or as authorized by the records of the debtor company)	Most Recent Financial Statement		
		Audited	Qualified or Opinion	
			Withheld	Unaudited
Atlantic Acceptance Corporation Limited . . .	Wright, Erikson, Lee & Co.	*		
D.H.I. Limited . . . . .	McLeod, Dickson & Co.			*
Valley Farm and Enterprises Limited . . . . .	Walton, Wagman & Co. and/or successor firm			*
Frederick's Department Store Limited . . . . .	Walton, Wagman & Co. and/or successor firm	*		
Associated Canadian Holdings Limited . . . . .	Walton, Wagman & Co. and/or successor firm			*
Treasure Island Properties Limited . . . . .	Not known			
D. W. Reid—White Oaks Shopping Centre . . .	Not known			*
Allied Towers Merchants Limited . . . . .	Clarkson, Gordon & Co.			*
Towers Marts & Properties Limited . . . . .	Clarkson, Gordon & Co.			*
Conarm Developments Limited . . . . .	Armstrong, Cross & Co.	*		
Dallas Holdings Limited . . . . .	Walton, Wagman & Co. and/or successor firm			*
N.G.K. Investments Limited . . . . .	Walton, Wagman & Co. and/or successor firm	*		
Mastino Developments Limited . . . . .	Pape, Strom, Sherman & Lavine			*
Ottawa Valley Amusements Limited . . . . .	R. L. Taylor			*
Charcoal Supply & Sales of Ontario Limited . .	Touche, Ross, Bailey & Smart	*		
Don Mills . . . . .	Not known			
Fun-A-Marin Limited . . . . .	Not known			*
General Spray Service, Inc. . . . .	A. Jesse Goldstein & Co.			*
John Belli Operations Limited . . . . .	Walton, Wagman & Co. and/or successor firm	*		
G.B.S. Barbecues Limited . . . . .	Sobel Sherman & Co.	*		
Meckler and Lazar . . . . .	—			
J. A. Brewster . . . . .	—			
St. George's Golf & Country Club Ltd. . . . .	Not known			*
Corporate Plan Leasing Limited . . . . .	Not known			*
Commodore Sales Acceptance Limited . . . . .	Walton, Wagman & Co. and/or successor firm	*		
Township of Michipicoten, Ontario . . . . .	—			
Commodore Business Machines (Canada) Limited . . . . .	Rose & Harrison	*		
Jacroy Canada Limited . . . . .	Smith, Winston, Wolman, Roth & Smith	*		
F. Mann Ltd. . . . .	Not known			
Martins (Pembroke) Limited . . . . .	Not known			
Parkhill Creamery Limited . . . . .	Not known			*
Bond & Cosman Limited . . . . .	Walton, Wagman & Co. and/or successor firm			*
Kathleen Christie . . . . .	—			
Cushing & Company . . . . .	Not known			

## Debtor—ATLANTIC ACCEPTANCE CORPORATION LIMITED

Balance Receivable at December 31, 1963—Term Accounts re Leases . . . . .	\$ 270,106
Reported equity of the Company . . . . .	\$ 7,521,874

The above term accounts represent the total value of leases on all furnishings in the branch offices of the Atlantic Acceptance and Atlantic Finance Corporation.

In view of the fact that this loan is secured by the furnishing in the loan offices of Atlantic, and these loan offices are of value to Atlantic and its other creditors under any foreseeable circumstances, it is reasonable to expect a preferred payout with no allowance required (even in the event of bankruptcy.)

Allowance . . . . .	Nil
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## APPENDIX J

### Aurora Leasing Corporation Limited—(Continued)

#### Debtor—D. H. I. LIMITED

Balance Receivable at December 31, 1963—Term accounts re leases .....	\$ 449,555
Notes receivable .....	352,081
Total amount receivable at December 31, 1963 .....	<u>\$ 801,636</u>

#### Latest Financial Report

No audit opinion expressed—Financial statements prepared by McLeod, Dickson & Co. at December 31, 1963.

#### Major Assets

Accounts receivable (less 12% allowance) .....	\$ 1,960,495
Inventories at lower of cost or market .....	910,525
Fixed assets (no depreciation provided) .....	774,201

#### Major Liabilities

Due to Commodore Sales Acceptance—		
Loans—current .....	\$ 2,234,817	
Notes .....	65,076	
Loans—deferred .....	14,050	\$ 2,313,943
Debentures due to Aurora Leasing .....		350,000
Mortgage .....		194,915
Due to Mastino Developments .....		140,069
Accounts payable and accrued .....		885,769
Book value of net tangible assets (deficiency) .....		(\$ 80,189)
Current position (working capital deficiency) .....		(\$ 247,346)
Recent earnings (loss for year 1963) .....		(\$330,950)
Discount—		
Accounts receivable—a 12% allowance may be sufficient .....	Nil	
Inventories—say 20% discount for realization .....	\$ 180,000	
*Fixed assets—Inflated value of Cerametal purchase .....	561,000	
Fixed assets—no depreciation taken—a writedown of say 50% would seem reasonable (after deducting Cerametal purchase) .....	106,000	\$ 847,000
Discounted net tangible assets (deficiency) .....		(\$ 927,000)

#### Allowance for Bad Debts

In view of the insolvency, lack of 100% security, continual losses, and poor reports on D. H. I.'s prospects, values would be considered on a liquidation basis.

On liquidation the creditors might expect to realize at the discounted value of tangible assets as follows:		
Discounted tangible assets .....		\$ 2,963,929
Less: Outstanding cheques and preferred creditors .....	\$ 282,624	
Secured liabilities—		
Mortgage on Real Estate .....	194,915	
Debenture payable—Aurora Leasing .....	350,000	
Receivable assigned to Commodore Sales .....	1,900,000	
Debenture—Commodore Sales .....	100,000	2,827,539

Available for unsecured creditors .....	<u>\$ 136,390</u>
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Total unsecured creditors (\$3,886,509—\$2,827,539) .....	<u>\$ 1,058,970</u>
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#### Percentage deficiency on unsecured accounts—87%

Aurora Leasing could expect a full recovery on its debenture loan.  
On its term loan releases it is in a position tantamount to loaning on the security of fixed assets to the extent that it could realize full book value on the assets to be liquidated, it would be fully secured. In the event of insolvency it would be prudent to allow a discount of at least 20% for loss on liquidation of leased assets.

Allowance required—about 20% of \$449,555 or, say .....	<u>\$ 90,000</u>
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\*Details of this transaction between Dalite Corporation and D. H. I. were fully available to the auditors of Commodore Sales Acceptance.



# Aurora Leasing Corporation Limited—(Continued)

## Debtor—VALLEY FARM AND ENTERPRISES LIMITED

Balance Receivable at December 31, 1963. . . . . \$ 1,026,322

### Latest Financial Report

Financial statements prepared without audit by Walton, Wagman & Co. as of June 30, 1963.

### Major Assets

Notes and loans receivable (no allowance) . . . . .	\$ 441,502
Securities . . . . .	346,136
Inventories (horses and livestock) . . . . .	76,911
Fixed assets (net of depreciation) . . . . .	461,071

### Major Liabilities

Notes payable . . . . .	\$ 1,065,246	
Mortgage payable—Hilltop Holdings . . . . .	\$ 42,546	
Commodore Sales Acceptance . . . . .	145,436	187,982

Other liabilities . . . . .	141,217
-----------------------------	---------

Book value of net tangible assets (deficiency) . . . . . (\$5,735)

Current position (working capital deficiency) . . . . . (\$ 277,797)

Recent earnings—profit for year . . . . . \$ 64,445

### Discount—

#### Loans receivable

Canada Motor Products (Toronto) Limited (no distribution to unsecured creditors) . . . . .	\$ 85,000
Fun-A-Marin Limited (complete insolvency—no estimated distribution) . . . . .	10,000
Dallas Holdings Limited (Estimated 50% loss to unsecured creditors, or say . . . . .	90,000
Cimcony of Canada Limited (estimated 10% allowance required) . . . . .	10,000
	<u>\$ 195,000</u>

#### Fixed assets

A 1962 appraisal of property showed an \$82,700 value. It would be appropriate to discount fixed assets by say 50%, or . . . . .	230,000
	<u>\$ 425,000</u>

Discount net tangible assets (deficiency) . . . . . (\$ 430,000)

### Allowance for Bad Debts

Tangible assets . . . . .	\$ 1,388,710
Less: Discount . . . . .	430,000

	\$ 958,710
Less: Mortgage payable to Commodore Sales (estimated) . . . . .	145,000

Assets available for unsecured creditors . . . . .	813,710
Total unsecured creditors (excluding Hilltop mortgage offset) . . . . .	<u>\$ 1,206,464</u>

Percentage available for unsecured creditors—67%

Allowance required (33% of \$1,026,322) or, say . . . . .	<u>\$ 340,000</u>
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## APPENDIX J

### Aurora Leasing Corporation Limited—(Continued)

#### Debtor—FREDERICK'S DEPARTMENT STORE LIMITED

Balance Receivable at December 31, 1963—Notes including interest .....	\$ 80,183
Term accounts re leases .....	182,470
	<u>\$ 262,653</u>

#### Latest Financial Report

Audited financial statements issued by Wagman, Fruitman & Lando as of January 31, 1964 (Exhibit 260)

#### Major Assets

Inventory .....	\$ 300,462
Investment in F. C. Adams Ltd. (wholly-owned subsidiary) at cost less substantial provision for possible losses .....	\$ 89,708
Intangibles .....	44,656

#### Major Liabilities

Bank overdraft, accounts payable and accrued .....	\$ 80,495
Notes payable .....	194,000
Debentures— secured by a floating charge on the operations and assets of the Company (payable to Adelaide) .....	600,000
Equity (deficit) .....	(\$422,936)
Book value of net tangible assets (deficiency) .....	(\$467,592)
Latest earnings (loss for year) on sales of \$1,315,541 .....	(\$314,649)
Commitments— 25 year lease of London store premises at annual rental of \$110,000 (1961) .....	\$ 2,502,500
lease of store equipment and fixtures from Aurora (1961 and 1963) .....	176,628
Book value of net tangible assets (deficiency)—as above .....	(\$467,592)

#### Add

Provision for possible losses in event of liquidation or sale—Inventory—50% .....	150,000
Investment in F. C. Adams (see note below) .....	
Book value as above .....	\$ 89,708
Estimated realizable value .....	30,000
	<u>59,708</u>
Discounted net assets (deficiency) .....	<u>(\$677,300)</u>

#### NOTE

##### Evaluation of Investment in F. C. Adams

Auditor's note to financial statements indicates that book value of net tangible assets as at December 31, 1963 is only \$62,392. Considering that the Company's latest reported operating results are a loss of \$3,827, realizable value on sale or liquidation is estimated at 50% or \$30,000.

#### Allowance Requirements

100% allowance on demand notes .....	\$ 80,183
30% on equipment leased in 1961 of \$76,175 .....	\$ 22,853
20% on equipment leased in 1963 of \$106,295 .....	21,259
	<u>\$ 124,295</u>
Say .....	<u>\$ 125,000</u>

# Aurora Leasing Corporation Limited—(Continued)

## Debtor—ASSOCIATED CANADIAN HOLDINGS LIMITED

Balance Receivable at December 31, 1963.....	\$ 952,499
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### Latest Financial Report

Unaudited financial statement described as "Opening" Balance Sheet as at July 15, 1963.

### Assets

Cash.....	\$ 60,000
Investments at cost (Market value \$1,325,000)	
227,902 shares Commodore Business Machines	
100,000 shares The Dale Estate Limited.....	1,097,657
	\$ 1,157,657

### No Liabilities

Equity.....	\$ 1,157,657
-------------	--------------

### Allowance Requirements

The above information would be virtually of no use in evaluating the collectibility of the amounts due to Aurora as at December 31, 1963.

However, not only were Walton, Wagman & Company the accountants and auditors of the Company, but Harry Wagman was a director, signing officer and secretary of the Company. The firm of Walton, Wagman & Co. were, therefore, in an excellent position to obtain full knowledge of the Company's affairs at any time. The allowance requirements may therefore be estimated based on the attached schedule and summarized as follows:

Loans outstanding, including interest.....	\$ 952,499
Secured portion per attached schedule.....	\$ 622,000
Unsecured portion—\$330,499 at 60¢.....	198,299
	820,299
Apparent Deficiency.....	\$ 132,200
Allowance required, say.....	\$ 130,000

# APPENDIX J

## ASSOCIATED CANADIAN HOLDINGS

### Estimated Valuation of Assets Available to Creditors as at December 31, 1963

	<i>Book Value</i>	<i>Values Estimated by Commission</i>	<i>Basis of Evaluation</i>
<b>Assets:</b>			
Cash in Banks.....	\$ 11,732	\$ 12,000	
Investment in Five Wheels.....	750,000	350,000	Approx. book value
Notes receivable—Tramiel and Kapp.....	29,200	29,000	
Investment—Arcan Corporation 7% debenture.....	350,000	250,000	25% Allowance
<b>Securities:</b> .....			
Atlantic Acceptance.....	61,500	62,000	
Dale Estates.....	300,000	155,000	At market price
Commodore Business Machines.....	1,485,433	734,000	Note a
<b>Totals.....</b>	<b>\$ 2,987,865</b>	<b>\$ 1,592,000</b>	
Deduct Bank loan and stockbrokers accounts which appear to be secured by holdings of securities.....	492,685	493,000	
	<u>\$ 2,495,180</u>	<u>\$ 1,099,000</u>	
Deduct possible security for Aurora loans			
12,000 Commodore Business Machines at \$1.80.....	\$ 45,000	\$ 22,000	
200,000 Five Wheels at \$1.75.....	750,000	350,000	
\$350,000 Arcan Corporation debenture.....	350,000	250,000	
	<u>\$ 1,145,000</u>	<u>\$ 622,000</u>	
Less surplus requirements.....	192,501		
	<u>\$ 952,499</u>	<u>\$ 622,000</u>	
<b>Assets available for other liabilities.....</b>	<b>\$ 1,542,681</b>	<b>\$ 477,000</b>	
<b>Other liabilities:</b>			
Aurora Leasing.....	\$ 952,499	\$ 952,499	
Less security deducted above.....	952,499	622,000	
	<u>*</u>	<u>\$ 330,499</u>	
Dallas.....	\$ 110,622	\$ 110,000	
Valley Farm.....	346,620	346,000	
Harry Wagman in trust.....	14,730	15,000	
	<u>\$ 471,972</u>	<u>\$ 801,499</u>	
<b>Net tangible assets.....</b>	<b>\$ 1,070,709</b>	<b>(\$ 324,499)</b>	
<b>Assets available per dollar of other liabilities.....</b>	<b>\$ 3.27</b>	<b>\$ 0.60</b>	

#### Note\*

Earnings per common share in 1963 per Financial Post Survey of Industrials.....	\$ .18
Suggested price/earnings ratio.....	.10
Suggested valuation per share.....	1.80
Number of shares held by Associated Canadian Holdings.....	407,874
<b>Suggested valuation of Associated Canadian Holdings.....</b>	<b>\$ 734,173</b>
<b>Say.....</b>	<b>\$ 734,000</b>



# Aurora Leasing Corporation Limited—(Continued)

## Debtor—TREASURE ISLAND PROPERTIES LIMITED

Balance Receivable at December 31, 1963..... \$ 1,148,774

### Latest Financial Report

No financial data available.

### Comments

Walton, Wagman & Co. were involved in the disbursing of funds by Treasure Island Properties in that requests for payment of bills apparently were sent to them by Dave King. Walton, Wagman & Co. were also auditors for the Company and apparently prepared the financial statements if not the records of account.

Background Information: According to the testimony of a previous witness (Mr. Parkes—Royal Commission transcripts numbers 15, 16, 17 and 18) Aurora Leasing became involved in the financing of Treasure Island in April 1963 in connection with a conveyance arrangement which had the effect of helping British Mortgage out of a loan of \$1,700,000 with Wildor Holdings Limited. Wildor had failed to pay its mortgage with British Mortgage whereupon British Mortgage sold the lands to Treasure Island for \$1,700,000 with \$600,000 cash and the balance by mortgage back. Aurora advanced a sum for the down payment and obtained a second mortgage for \$800,000 bearing interest at ten per cent and falling due on April 30, 1964.

As at December 31, 1963 Treasure Island owed Aurora \$1,148,774 including capitalized interest of \$53,274.

### Allowance Requirements

Because the Treasure Island undertakings were still in the construction stage at December 31, 1963, there was little operating information available on which to base an opinion regarding collectibility of the account with Aurora. The following points would be of assistance in this regard, however:

1. Apparently there was no equity capital in either of the Treasure Island Properties or Treasure Island Gardens Companies (specifically there was \$3.00 in each Company as per financial statements later prepared by Wagman & Co.).
2. Aurora's second mortgage of \$800,000 ranked behind a first mortgage of \$1.1 million held by British Mortgage. The balance of Aurora's loan of \$348,774 was unsecured.
3. Estimates of cash flow for the stage of operations at December 31, 1963 could have been prepared as follows:

Revenues—as per work sheet obtained from files of Wagman (not yet in evidence):

Frederick's Dept. Store (net lease).....	\$ 96,000
Busy-B Food Store.....	36,000
Automotive Gas Bar.....	3,000
	<u>\$ 135,000</u>

### Interest Costs

British Mortgage—\$1,100,000 at 11%.....	\$ 121,100
Aurora—\$1,148,774 at 10%.....	114,877
	<u>\$ 235,977</u>

Cash Flow deficiency before provision for operating costs..... (\$ 100,877)

4. Excluding lease rentals planned with respect to the Treasure Island Gardens Company, phase 2 of forecasted operations provided only \$70,000 additional revenues—i.e. total annual net revenue on completion of the project would amount to only \$205,000 exclusive of Gardens operations in contrast with at least \$236,000 in required interest payments to British Mortgage and Aurora.
5. The major tenant, Frederick's Department Store was in serious financial difficulties—refer Frederick's schedule.

At this early stage of development of Treasure Island Properties it would be difficult for an auditor to arrive at an opinion regarding a bad debt loss provision. However, the above information, and in particular the knowledge that there was no equity capital in the Properties or Gardens Companies, would indicate that Aurora was in a most unfavourable position in case of misadventure in the project. An allowance of at least 10% to 15% would seem prudent in the circumstances.

Allowance required, say..... \$ 150,000

## APPENDIX J

### Aurora Leasing Corporation Limited—(Continued)

#### Debtor—DONALD REID IN TRUST RE WHITE OAKS SHOPPING CENTRE

Balance Receivable at December 31, 1963.....	\$ 128,202
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#### Latest Financial Report

No financial statements apparently prepared.

#### Background Information

The following information is based on evidence already before the Commission (reference Volumes 15 to 18 of transcripts of evidence). This evidence has established that Harry Wagman was familiar with and involved in the Treasure Island and White Oaks projects. (Exhibits 1488 and 1489).

Mr. Reid, acting as trustee, purchased the White Oaks Shopping Centre from South London Corporation and executed a mortgage in the principal sum of \$500,000 in favour of Aurora Leasing—interest at 10% payable monthly; principal due November 30, 1964. The mortgagor, Mr. Reid, does not covenant to repay the funds advanced. The Company for whom Mr. Reid was trustee was therefore not obliged to pay Aurora Leasing.

The mortgage to Aurora Leasing ranks behind a first mortgage to I.A.C. Capital Funds of \$1.5 million and a mortgage to Coronation Investments of \$100,000. The rent from the major tenant, Sayvette, was being paid direct to I.A.C. Capital Funds under an attornment of rent.

#### Allowance Requirements

Estimated revenues—phase 1 as per Hoyt report.....	\$ 155,000
Interest charges—	
I.A.C. Capital Funds—\$1,500,000 at say 10%.....	\$ 150,000
Coronation Investments—\$100,000 at 11%.....	11,000
Aurora Leasing—\$128,000 at 10% .....	12,800
	173,800
Apparent loss before operating costs at stage of completion assumed to exist at December 31, 1963.....	(\$18,800)
Projected revenues on completion of phase 2 of program 108,650	
Less expected additional mortgage money requirements (Exhibit 1491) \$1,500,000	
Anticipated interest charges at say 10%.....	\$ 150,000
Projected loss before operating costs.....	(41,350)
	(\$60,150)

In view of the above apparently hopeless situation facing the White Oaks project and the low priority of Aurora Leasing's loan, an allowance of at least $\frac{1}{3}$ would seem prudent or, say.....	\$ 50,000
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## Aurora Leasing Corporation Limited—(Continued)

### Debtor—ALLIED TOWERS MERCHANTS LIMITED

Balance Receivable at December 31, 1963—Term account re leases..... \$ 516,268

#### Latest Financial Report

Unaudited financial statements prepared by Clarkson, Gordon & Co. at December 31, 1963.

#### Major Assets

Cash.....	\$ 1,211,344
Accounts receivable.....	709,160
Inventories.....	5,841,217
Fixed assets.....	1,926,399
Intangible assets.....	677,917

#### Major Liabilities

Bank loan.....	\$ 600,000
Accounts payable.....	4,411,249
Purchase contracts payable.....	1,180,927
Shareholders' equity.....	\$ 5,205,372
Net tangible assets.....	\$ 4,527,455

#### Allowance for Bad Debts

This Company was set up as a result of an accepted proposal under the Bankruptcy Act in regard to the affairs of Towers Marts & Properties Limited.

Since Allied's assumption of the Aurora leases, payments have been regular. In view of the heavy capitalization of the Company, the regular payments and the security in the form of the assets being leased no allowance would be warranted.

Allowance required..... Nil

### Debtor—TOWERS MARTS & PROPERTIES LIMITED

Balance Receivable at December 31, 1963..... \$ 65,982

#### Latest Financial Report

Proposal under Part III of the Bankruptcy Act—dated July 8, 1963 and financial statement for year ended September 30, 1963. The auditors could not express an opinion on the financial position of the Company at September 30, 1963. A major provision of the accepted proposal was that unsecured creditors receive 50% of the claims in unsecured notes and 50% in shares at \$2.00 per share.

Aurora Leasing transferred \$546,637 owing under leases by Towers Marts to the newly formed Allied Towers Merchants Limited. The balance due under the leases remained an unsecured debt of Towers Marts & Properties. This claim would entitle Aurora to \$33,000 in unsecured notes and 16,500 shares of Towers Marts.

Net tangible assets at September 30, 1963 (deficiency)..... (\$ 2,757,148)

#### Allowance for Bad Debts

The market price of Towers Marts' shares in December 1963 and January 1964 varied between 40¢ and 55¢ per share. A fair value for this equity would be 16,500 shares at 50¢ each or \$8,250.

There was no market for the unsecured notes. Investment dealers had suggested values of 25% of face value. In view of the uncertainty surrounding the value of these notes an allowance of 50% would be warranted.

Allowance required:

Balance receivable.....	\$ 65,982
Less: share value.....	\$ 8,250
Unsecured note value.....	16,500
	24,750

Estimated loss..... \$ 41,232

Allow, say..... \$ 40,000

## APPENDIX J

### Aurora Leasing Corporation Limited—(Continued)

#### Debtor—CONARM DEVELOPMENTS LIMITED

Balance Receivable at December 31, 1963	
Notes Receivable.....	\$ 801,709
Less: Deferred Interest Receivable.....	26,984
Net Amount Receivable at December 31, 1963.....	<u>\$ 774,725</u>

#### Latest Financial Report

Financial statements as of January 31, 1964 audited by Armstrong, Cross & Co. of Ottawa.  
(Report dated March 20, 1964.)

#### Major Assets

Accounts and notes receivable.....	\$ 87,201
Inventory of land and servicing.....	1,945,034
Fixed assets (less depreciation \$1,154).....	15,472

#### Major Liabilities

Current.....	\$ 454,681
Long-term—Note to Aurora Leasing.....	802,534
—Mortgages.....	1,040,760

#### Equity (Impairment)

Capital Stock.....	\$5,000	
Deficit.....	(198,456)	(\$193,456)

#### Recent Earnings

Loss from inception on January 11, 1963.....	(\$198,456)
Book value of net tangible assets.....	<u>(\$237,840)</u>

#### Allowance Requirements

A review of the Aurora Leasing accounts and the Conarm Developments financial statements indicates the following:

1. The account is material in amount since it represents over 10% of Aurora Leasing's total outstanding loans receivable exclusive of lease accounts.
2. The account is evidenced only by a series of notes with no security taken.
3. The Conarm Developments financial statements reflect the item as a long-term liability.
4. The Conarm Developments financial statements indicate an apparent immediate shortage of net tangible assets to cover the notes to Aurora Leasing.

(Apparent shortage of \$237,840 based on book valuation of assets).

Confronted with the above information, an auditor would probably consider it necessary to look into Conarm Developments' background and into the nature of its land investments. On enquiry, he might have been provided with a schedule outlining Conarm's long-range operating forecasts (Exhibit 1956). These forecasts reflect estimated losses in the first three years of \$635,000 with a virtual break-even and turn-around estimated to commence in 1966 for an eventual minimum return of \$3 million.

#### Conclusions

Aurora Leasing is financing the forecasted losses in a land development project with at least usual risk inherent in such schemes and with an estimated pay-back period in excess of four years. An allowance of at least 30% would seem prudent in such circumstances.

Allowance required, say..... \$ 235,000

#### Comments

A schedule available in the files of the Commission (Exhibit 1960) shows Harry Wagman to be a registered shareholder of Conarm Developments Limited, holding 3,000 shares out of 10,000 outstanding common and 3,000 shares out of 30,000 outstanding preferred (the preferred shares are shown as registered to Harry Wagman—in Trust). By testimony of Della Scala (Volume 28, Page 3796) Harry Wagman was to hold these shares in trust for Aurora Leasing.



# Aurora Leasing Corporation Limited—(Continued)

## Debtor—DALLAS HOLDINGS LIMITED

Balance Receivable at December 31, 1963..... \$ 416,630

### Security

Based on an interim audit to June 30, 1963. Mr. Fruitman of Walton, Wagman & Co. pointed out in a letter to Aurora Leasing dated August 3, 1963 (Exhibit 703) that advances to Dallas Holdings of \$291,000 were not supported by notes or other evidence.

### Latest Financial Report

Financial statements prepared without audit by Walton, Wagman & Company as of December 31, 1961.

### Major Assets

Due from brokers.....	\$ 14,280		
Securities.....	\$ 4,637		<u>\$ 18,917</u>

Liabilities.....			<u>\$ 3,025</u>
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### Equity

Capital Stock.....	\$ 3		
Retained Earnings.....	16,317		<u>\$ 16,320</u>

### Profit for the Year

Income—Trading profits on Arcan Corp. Ltd.....	\$ 1,772		
Central Del Rio Oils Ltd.....	200		
Dale Estate Ltd.....	14,602		
Phantom Industries.....	7		
General Spray Service Inc.....	( 801)		<u>\$ 15,780</u>
Expenses and Income Taxes.....			<u>3,719</u>
Net Profit.....			<u>\$ 12,061</u>

### Allowance Requirements

Except that the above indicates that the Company was engaged in the trading of securities of less than gilt-edged quality in 1961, there is little basis for forming an opinion regarding the collectibility of the loan at December 31, 1963.

### Comments

Mr. Pahn, the accountant for Aurora Leasing, signed the confirmation certificate on behalf of Dallas Holdings which certificate was included with Harry Wagman's audit working paper file (Exhibit 703).

Mr. Wagman, therefore, must have had available to him sufficient knowledge regarding Dallas Holdings to form an opinion regarding the collectibility of this account.

In addition, Walton, Wagman & Co. were the auditors and accountants for the Company and were therefore in a position to obtain detailed information on which to form an opinion regarding the collectibility of the Dallas Holdings account with Aurora.

The allowance requirements could therefore have realistically been estimated at 50% as calculated in the attached schedule.

Allowance required, say.....			<u>\$ 200,000</u>
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## APPENDIX J

### DALLAS HOLDINGS LIMITED

#### Estimated Valuation of Assets Available to Creditors as at December 31, 1963

	<i>Dec. 31/63 Book Value</i>	<i>Evaluation by Commission</i>	<i>Basis of Evaluation</i>
<b>Assets</b>			
Bank.....	\$ 2,456	\$ 2,500	
Note—Associated Canadian Holdings (unsecured).....	110,622	66,000	60¢ for A.C.H. file
Interest receivable.....	1,855	1,800	
Note—J. Frame.....	82,000	50,000	no payments made
Investment—Fun-A-Marin.....	5,000	—	see Fun-A-Marin schedule
 Bonds—Commodore Business Machines.....	 77,820	 77,800	
Warrants—Commodore Business Machines.....	17,542	6,000	Note (a)
20,000 shares Commodore Business Machines.....	80,000	36,000	Note (b)
7,625 shares Dale Estates.....	13,344	12,000	Market
250,000 shares Dominion Leaseholds.....	46,250	46,200	little basis for revaluation
 120,000 shares Ram Petroleum.....	 85,000	 65,000	Book Value
10,000 shares Molly Corporation.....	157,500	40,000	Note (c)
Other.....	30,694	28,000	
	<u>\$ 710,083</u>	<u>\$ 431,300</u>	
Deduct brokers account which appears to be secured.....	34,806	35,000	
	<u>\$ 657,267</u>	<u>\$ 396,300</u>	
Assets available to other creditors.....	<u>\$ 657,267</u>	<u>\$ 396,300</u>	
Other creditors.....	<u>\$ 808,569</u>	<u>\$ 808,000</u>	
Net tangible assets.....	<u>(\$ 133,302)</u>	<u>(\$ 411,700)</u>	
Assets available per dollar of other liabilities.....	<u>\$ 0.82</u>	<u>\$ 0.50</u>	

#### Notes

- (a) Write-down to  $\frac{1}{2}$  based on evaluation of Commodore Business Machines shares—see (b) below.
- (b) Earnings per common share in 1963 per Financial Post Survey of Industrials..... \$ 0.18  
Valuation based on price/earnings ratio of 10..... 1.80
- (c) Based on the Molly Corporation prospectus (Exhibit 176) earnings in the five years from 1959 to 1963 ranged between \$94,000 and \$130,000 or, based on 692,500 outstanding shares, between 13¢ and 20¢ per share. There seems no justification in the earnings record or indicated future plans of the Molly Corporation to value the new shares at more than ten times recent earnings per share or, say \$2.00. However, adopting a liberal view for this valuation, the shares are valued at double this amount, or \$4.00 per share.

# Aurora Leasing Corporation Limited—(Continued)

## Debtor—N. G. K. INVESTMENTS LIMITED

Balance Receivable at December 31, 1963..... \$ 443,771

### Latest Financial Report

Audited financial statements prepared by Walton, Wagman & Co.—as at December 31, 1963.

### Major Assets

Call loans receivable (secured) .....		\$ 192,181
Investments:		
Mavety Film Delivery (Note a) .....	\$ 256,125	
Frederick's Dept. Store .....	185,614	
Commodore Business Machines .....	67,500	509,239
Intangibles .....		10,400

### Major Liabilities

Long-term notes .....	\$ 435,000	
Convertible notes .....	200,000	\$ 635,000

Equity .....	\$ 86,833
Book value of net tangible assets .....	\$ 76,433
Recent earnings—profit for year .....	\$ 334
Dividends paid during 1963 (resulting in impairment) .....	\$ 15,000
Deficit at December 31, 1963 .....	(\$ 14,167)

### Note (a)

N. G. K. Statement of Operations reflects an item of \$20,000 Dividends Received. Mavety Film's statement of Retained Earnings as at April 30, 1963 reflects an item of \$20,000, Dividends Declared and Paid. This would support the impression that the above investment of \$256,125 represents ownership of 100% of the shares of Mavety Film. For an evaluation of this investment, refer to supporting schedule.

### Allowance Requirements

Book value of net tangible assets, as above .....	\$ 76,433
Less—Provision for possible losses on:	

    Call loans receivable.

    Walton, Wagman & Co. would have known that of the call loans totalling \$192,181 an amount of \$139,121 was due from Canada Motor Products (Blackstone) Ltd., a Company for whom also they were the accountants.

Canada Motor Products—per attached schedule .....	\$ 85,000
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Other, say provide 10% of \$53,060 .....	5,000

\$ 90,000

### Investments

    Mavety Film—

apparently a profitable operation—see schedule .....	Nil	
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Frederick's Department Store Ltd. 100%—see schedule .....	\$ 185,614	\$ 275,614
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Discounted net tangible assets (deficiency) .....		(\$ 199,181)
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Per cent of Aurora Leasing loans to total—435/635 pr 68.5%

Required allowance—(68.5% of \$199,181=\$136,439 or, say .....	\$ 150,000
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## APPENDIX J

### Aurora Leasing Corporation Limited—(Continued)

#### Debtor—N.G.K. INVESTMENTS RE ACCOUNT OF CANADA MOTOR PRODUCTS (BLACKSTONE) LIMITED

Balance Receivable at December 31, 1963—Principal .....	\$ 125,000
—Interest .....	14,121
Total amount receivable at December 31, 1963 .....	<u>\$ 139,121</u>

#### Latest Financial Report

Unaudited financial statements as at December 31, 1963; obtained from the files of Walton, Wagman & Co.

#### Major Assets

Receivables (no allowance)—pencil notation 'pledged' .....	\$ 104,000
Inventory—pencil notation 'pledged' .....	135,000
Fixed assets (no depreciation provided) .....	60,000
Intangibles .....	35,000

#### Major Liabilities

Bank overdraft and accounts payable .....	96,000
Bank loans .....	55,000
Note—N. G. K. Investments .....	125,000
Book value of net tangible assets .....	27,000
Recent earnings (loss for year) .....	(70,000)

#### Allowance Requirements

At the present rate of loss, further operations of the Company will quickly remove what little value remains by way of assets. It is assumed the above receivables and inventories were not pledged with Aurora Leasing through N. G. K. because, according to the Trustee, Aurora's statement of claim in the bankruptcy of N. G. K. described its advances as unsecured. On this basis a 100% bad debt reserve would be indicated.

However, the Trustee has reported indications that the following securities, presumably owned by C. P. Morgan, had been lodged by Canada Motor Products (Blackstone) with N. G. K. who, in turn, had lodged them with Aurora Leasing:

300,000 shares Dominion Leaseholds at estimated market value of 18.5¢ per share (see Dallas Holdings schedule) .....	\$ 55,500
199,400 shares of Arcan Corporation Ltd. at estimated market value of Nil .....	—
	<u>55,500</u>
Balance owing to N. G. K. Investments at December 31, 1963 .....	139,121
	<u>(83,621)</u>
Allowance requirements, say .....	<u>\$ 85,000</u>



## Aurora Leasing Corporation Limited—(Continued)

### Debtor—MASTINO DEVELOPMENTS LIMITED

Balance Receivable at December 31, 1963.....	\$ <u>143,000</u>
--	-------------------

#### Latest Financial Report

Financial statements prepared without audit by Messrs, Pape, Storm, Sherman & Lavine as of May 31, 1963.

#### Major Assets

Land—township of Pickering (at cost).....	\$ 213,250
---	------------

#### Major Liabilities

D. H. I. Limited.....	\$ 25,972
5% mortgage payable to F. & J. O'Sullivan—due February 28, 1973.....	188,000

Equity (impairment).....	(\$5,357)
--------------------------	-----------

Recent earnings (loss for year).....	(\$630)
--------------------------------------	---------

#### Note

At the date of this statement the loans by Aurora Leasing to Mastino Developments had not yet been made—July 1963 was the date of total loans of \$135,000.

Since the only valuable asset Mastino Developments owned was land subject to a substantial mortgage, it is reasonable to assume that the balance of any loans by Aurora Leasing were for the benefit of D. H. I. Limited and were receivable from D. H. I. (as shown by D. H. I. statements). In this case the allowance should be set at the same percentage which is deemed reasonable for unsecured creditors of D. H. I.—i.e. 87% allowance.

Allowance required—\$124,410. Say.....	\$ <u>124,000</u>
--	-------------------

### Debtor—OTTAWA VALLEY AMUSEMENTS LIMITED

Balance Receivable at December 31, 1963.....	\$ <u>129,335</u>
--	-------------------

#### Latest Financial Report

Unaudited financial statements prepared by R. L. Taylor, C. A. at December 31, 1963.

#### Major Assets

Cash.....	\$ 5,071
Equipment (less depreciation \$5,156).....	102,135

#### Major Liabilities

Loan from director.....	\$ 4,900
Chattel mortgage—Aurora Leasing.....	101,512

(not in agreement with Aurora records—difference may be accounted for by a failure to set up interest expense)

Equity.....	\$ 100
-------------	--------

Net tangible assets.....	(\$ 55)
--------------------------	---------

Discounted net tangible assets after allowing for interest.....	(\$ 27,878)
---	-------------

#### Allowance for Bad Debts

Small payments were being made in order to cover interest. However, the discrepancy in accounting, the small capitalization of the Company and the highly depreciable nature of the equipment collateral would necessitate an allowance of about 25%.

Allowance required, say.....	\$ <u>30,000</u>
------------------------------	------------------

## APPENDIX J

### Aurora Leasing Corporation Limited—(Continued)

#### Debtor—CHARCOAL SUPPLY & SALES OF ONTARIO LIMITED

Balance Receivable at December 31, 1963 ..... \$ 52,278

##### Security

Promissory notes only.

##### Latest Financial Report

Financial statements audited by Touche, Ross, Bailey & Smart and G. R. Barrett & Co. at March 31, 1963 but audit opinion withheld in respect of inventories.

##### Major Assets

Accounts Receivable.....	\$ 82,042
Inventories.....	139,043
Fixed Assets (depreciation \$135,764).....	165,823

##### Liabilities

Bank and Accounts Payable.....	\$ 120,648
Due to affiliated companies.....	484,200
Deficit.....	(\$179,754)

Book value of net tangible assets..... (\$ 179,754)

Current position..... \$ 138,623

Recent earnings (operating loss for year)..... (\$ 43,641)

If advances from affiliates are subordinated, no allowance would be required for the Aurora Leasing loan—in the absence of this assurance, and in view of an impairment of over 25% of liabilities, a  $\frac{1}{8}$  allowance would be prudent.

Allowance required..... \$ 17,000

#### Debtor—DON MILLS

Balance Receivable at December 31, 1963 ..... \$ 78,902

##### Latest Financial Report

No financial data available. The identity of this debtor was unclear—Don Mills appeared to be a partnership which may have included Messrs. Tramiel, Kapp, Morgan, Walton and Wagman.

##### Allowance for Bad Debts

No payments of interest or principal were received since July of 1963.

In view of the unusual repayment pattern, the lack of security, and the lack of information regarding the collectibility of this account, an allowance of say 25% would be warranted.

Allowance required, say..... \$ 20,000

# Aurora Leasing Corporation Limited—(Continued)

## Debtor—FUN-A-MARIN LIMITED

Balance Receivable at December 31, 1963 .....	\$ 17,895
<hr/>	
<b>Latest Financial Report</b>	
Unaudited financial statements at May 31, 1963.	
 <b>Major Assets</b>	
Cash, receivables and inventories .....	\$ 15,766
Fixed assets (no depreciation provided) .....	8,177
Intangibles .....	3,323
	<hr/>
	\$ 27,266
<hr/>	
<b>Major Liabilities</b>	
Bank overdraft and accounts payable and accrued .....	\$ 13,784
Loan payable to D. H. I. Limited .....	16,674
	<hr/>
	\$ 30,458
<hr/>	
Equity (deficit) .....	(\$ 3,192)
<hr/>	
Book value of net tangible assets (deficiency) .....	(\$ 6,515)
Current position (working capital deficiency) .....	(\$ 12,344)
Earnings for 7 months (loss) .....	(\$ 35,692)
 <b>Allowance Requirements</b>	
Book value of net tangible assets (deficiency), as above .....	(\$ 6,515)
Add:	
Provision for possible losses on—	
Receivables and Inventory—50% .....	7,500
Fixed Assets —90% .....	7,200
	<hr/>
Discounted net assets (deficiency) .....	(\$ 21,215)
<hr/>	
Allowance of 100% seems warranted, or, say .....	\$ 18,000
<hr/>	

## APPENDIX J

### Aurora Leasing Corporation Limited—(Continued)

#### Debtor—GENERAL SPRAY SERVICE, INC.

Balance Receivable at December 31, 1963..... \$ 86,961

##### Latest Financial Report

Financial statements prepared by A. Jesse Goldstein & Co. for the Debtor-in-Possession under the Bankruptcy Act at October 8, 1963.

##### Major Assets

Accounts receivable.....	\$ 110,955
Inventory.....	349,773
Investment in Sprayfoil Corporation.....	177,382
Due from Sprayfoil Corporation.....	145,629

##### Major Liabilities

Secured notes payable—Banks.....	54,444
-Commodore Factors Ltd.....	268,346
Taxes and wages payable.....	24,161
General Liabilities.....	520,403
Debenture bonds.....	276,882

Shareholders' equity (deficiency)..... (\$ 166,294)

##### Allowance for Bad Debts

On March 24, 1964 a plan of arrangement under Chapter XI of the U.S. Bankruptcy Act was accepted in the courts of New York State. This plan allowed that 25% of all claims would be paid (not including accrued interest) and, if sufficient profits were earned, a further 15% would be distributed.

In view of this Company's bankruptcy and the plan arrangement decided upon, a 75% allowance was warranted.

Allowance required, say..... \$ 65,000

#### Debtor—JOHN BELLI OPERATIONS LIMITED

Balance Receivable at December 31, 1963..... \$ 71,622

##### Latest Financial Report

Audited financial statements prepared by Walton, Wagman & Co. as at June 30, 1963.

##### Major Assets

Cash receivables and inventory.....	\$ 11,340
Fixed assets less depreciation (including leasehold improvements \$75,882).....	75,959
Intangibles.....	15,470

##### Major Liabilities

Current overdraft and accounts payable.....	\$ 23,720
Long-term	
Atlantic Corporation.....	\$ 23,666
Aurora Leasing.....	13,350
Adelaide Acceptance.....	10,000

Equity..... \$ 47,016

Book value of net tangible assets..... \$ 16,563

Current position (working capital deficiency)..... (\$ 11,124)

After tax profit for year..... \$ 4,420

##### Allowance Requirements

This Company appeared able to pay the interest charges but seemed to have poor prospects of being able to meet capital repayments, e.g. nearly two-thirds of the fixed assets were in leasehold improvements.

An allowance of say 25% was warranted..... \$ 18,000



## Aurora Leasing Corporation Limited—(Continued)

### Debtor—G. B. S. BARBECUES LIMITED

Balance Receivable at December 31, 1963 ..... \$ 107,900

#### Latest Financial Report

No recent financial data available—account commenced in 1961. The December 31, 1960 financial statements reflect net tangible assets of \$34,358.

#### Allowance for Bad Debts

This account has had an excellent repayment pattern since its inception. It was secured by chattel mortgages on equipment. There was no reason to doubt its collectibility.

Allowance required ..... Nil

### Debtor—J. G. MECKLER and M. J. LAZAR

Balance Receivable at December 31, 1963 ..... \$ 56,139

A demand note was signed by Meckler and Lazar in March 1962 and renewed October 1, 1962. No information is available as to the credit worthiness of Meckler and Lazar. Neither interest nor principal was paid on this account since its inception.

Security held—Promissory notes of Jacroy Canada Limited for \$11,220 plus 264 common shares and 264 preferred shares of Jacroy Canada Limited. These shares represented over 20% of the Company.

#### Allowance for Bad Debts

In view of the absence of repayment it would be wise to look to the value of the security. At December 31, 1963 Jacroy Canada Limited appeared insolvent—the equity deficiency being about 40% of liabilities. The security, therefore, would seem to be limited in its value.

An allowance of 50% was allowed against the value of Aurora Leasing's loan to Jacroy. A similar allowance would appear warranted for this account.

Allowance required, say ..... \$ 25,000

### Debtor—J. A. BREWSTER

Balance Receivable at December 31, 1963 ..... \$ 10,100

#### Latest Financial Report

No financial data available. Mr. Brewster was a member of the firm of John Frame & Co., Stockbrokers. Security held—5,000 shares of Frederick's Department Store Limited (cost—\$10,000)

#### Allowance for Bad Debts

Interest payments were made on this loan up to September 1963. No principal payments were ever made. The security would appear valueless because of Frederick's apparent insolvency.

In view of the foregoing and Mr. Brewster's large debt to Commodore Sales Acceptance, an allowance of about 50% was warranted.

Allowance required, say ..... \$ 5,000

## APPENDIX J

### Aurora Leasing Corporation Limited—(Continued)

#### Debtor—ST. GEORGE'S GOLF AND COUNTRY CLUB LTD.

Balance Receivable at December 31, 1963—Term account re lease..... \$ 17,716

##### Latest Financial Report

No financial data available.

##### Allowance for Bad Debts

There was no reason to doubt the collectibility of this account in view of the satisfactory repayment pattern.

Allowance required..... Nil

#### Debtor—CORPORATE PLAN LEASING LIMITED

Balance Receivable at December 31, 1963..... \$ 4,570

##### Latest Financial Report

Unaudited financial statement at April 30, 1963.

Net tangible assets..... \$ 544,518

##### Allowance for Bad Debts

The steady repayment pattern in this account and in its dealings with Commodore Sales would warrant a nil allowance.

Allowance required..... Nil

#### Debtor—COMMODORE SALES ACCEPTANCE LIMITED

Balance Receivable at December 31, 1963—Term account re lease..... \$ 3,989

##### Latest Financial Report

Audited financial statement prepared by Walton, Wagman & Co. at December 31, 1963.

Net tangible assets reported..... \$ 129,106

##### Allowance for Bad Debts

Regardless of the asset discount required in considering the solvency of Commodore Sales, the large loans to Aurora would allow a right of asset sufficient to recover this account.

Allowance required..... Nil

#### Debtor—TOWNSHIP OF MICHIPICOTEN, ONTARIO

Balance Receivable at December 31, 1963—Term account re lease..... \$ 9,243

##### Latest Financial Report

No financial data available.

##### Allowance for Bad Debts

In view of the satisfactory repayment pattern no allowance was required.

Allowance required..... Nil

## Aurora Leasing Corporation Limited—(Continued)

### Debtor—COMMODORE BUSINESS MACHINES (CANADA) LIMITED

Balance Receivable at December 31, 1963. . . . . \$ 264,591

#### Latest Financial Report

Audited financial statements reported on by Rose & Harrison at June 30, 1963.

#### Major Assets

Cash and time deposits. . . . .	\$ 302,825
Accounts receivable. . . . .	1,272,504
Inventory. . . . .	1,881,423
Investments in subsidiaries. . . . .	1,371,346
Intangible assets. . . . .	371,646
Fixed assets. . . . .	95,715

#### Major Liabilities

Accounts payable. . . . .	\$ 806,052
Loans and notes payable. . . . .	327,615
Advances from Finance Companies. . . . .	658,896
Long term notes and debentures. . . . .	2,064,726

Equity. . . . . \$ 1,286,917

Book value of net tangible assets. . . . . \$ 915,270

Allowance required per these statements appears to be Nil—the financial position of this Company does not seem hazardous per the published financial statements.

Allowance required. . . . . Nil

### Debtor—JACROY CANADA LIMITED

Balance Receivable at December 31, 1963—Term account re lease. . . . . \$ 11,475

#### Latest Financial Report

Audited financial statements reported on by Smith, Winston, Wolman and Company at December 31 1963.

#### Major Assets

Accounts receivable. . . . .	\$ 23,932
Inventory. . . . .	60,809
Fixed assets. . . . .	25,390

#### Major Liabilities

Bank loan. . . . .	\$ 18,000
Accounts payable. . . . .	76,081
Due to the Symphony Paint Co. . . . .	12,306
Shareholders' loans payable. . . . .	116,445

Shareholders' equity (deficiency). . . . . (\$ 87,262)

#### Allowance for Bad Debts

Although this account was paying regularly and the security of the leased assets was available, the serious insolvency would warrant an allowance of about 50%.

Allowance required, say. . . . . \$ 5,000

**APPENDIX J**

**Aurora Leasing Corporation Limited—(Continued)**

**Debtor—MARTINS (PEMBROKE) LIMITED**

Balance Receivable at December 31, 1963—Term account re lease.....	\$ 12,235
<b>Latest Financial Report</b>	
No financial data available.	
<b>Allowance for Bad Debts</b>	
The satisfactory repayment pattern since inception in April, 1963 indicates that no allowance is necessary.	
Allowance required.....	Nil

**Debtor—PARKHILL CREAMERY LIMITED**

Balance Receivable at December 31, 1963—Term account re leases.....	\$ 4,296
<b>Latest Financial Report</b>	
No financial data available.	
<b>Allowance for Bad Debts</b>	
This account was opened in November 1963 and payments began in January of 1964.	
Allowance required.....	Nil



# Aurora Leasing Corporation Limited—(Continued)

## Debtor—BOND & COSMAN LIMITED

Balance Receivable at December 31, 1963 .....	\$ 107,658
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### Latest Financial Report

Financial statements prepared by Walton, Wagman & Co.—as of July 31, 1963 and audit opinion withheld.

### Major Assets

Inventory .....	\$ 346,071
Advances to Trans Canada Millinery Sales (considered not collectible by auditors) .....	237,138
Other receivables .....	23,347
Furniture and fixtures, etc. (no depreciation provided) .....	77,156
Intangibles .....	202,282

### Major Liabilities

Advances from Mart Utilities .....	\$ 527,160
Loans payable—	
Commodore Sales Acceptance .....	\$ 803,075
Aurora Leasing .....	75,000
Arcan Corporation .....	17,800
	895,875
Bank overdraft, accounts payable and accrued, etc. ....	202,947
Net tangible assets (deficiency at book value) .....	(\$ 879,153)
Current position (working capital deficiency) .....	(\$ 1,016,664)
Latest earnings (loss for year) .....	(\$ 634,336)

### Allowance Requirements

Book value of net tangible assets (deficiency)—as above .....	(\$ 879,153)
---	--------------

### Add:

Provision for possible losses on—	
Advances to Trans Canada Millinery—100% .....	\$ 237,138
Inventory—50% .....	175,000
Furniture and fixtures—50% .....	40,000

Discounted net tangible assets (deficiency) .....	(\$ 1,331,291)
---	----------------

In view of the serious insolvency of the Company and the unfavourable trend in operating results a 100% debt allowance seems to be warranted.

Allowance required, say .....	\$ 108,000
-------------------------------	------------

### See also the following schedules

Commodore Sales Acceptance—Mart Utilities  
—Trans Canada Millinery

## Debtor—Mrs. KATHLEEN CHRISTIE

Balance Receivable at December 31, 1963 .....	\$ 70,035
---	-----------

### Latest Financial Report

No financial data available.

Security—\$30,000 General Spray Service, Inc.  
Debenture plus sundry stocks.

### Allowance for Bad Debts

The security for this account left something to be desired; however, the repayments in late 1963 and early 1964 were substantial.

Mrs. Christie was the wife of A. T. Christie, a director of Atlantic Acceptance Corporation.

There was no reason to suspect her financial responsibility.

Allowance required .....	Nil
--------------------------	-----

Aurora Leasing Corporation Limited—(Continued)

Debtor—CUSHING & COMPANY

Balance Receivable at December 31, 1963 ..... \$ 1,350,000

Latest Financial Report

No financial data available.

Cushing & Company was a nominee for Lambert & Company which controlled Great Northern Capital Corporation and had a substantial interest (about 39%) in Camerina Petroleum. We understand that the Camerina shares were lodged with Aurora Leasing as security for the loan and that their market value was of the order of \$2.10 per share as at December 31, 1963.

On enquiring into the circumstances of the loan an auditor might have been informed as follows:

- 1. The loan was ostensibly for short-term purposes.
- 2. The loan had been arranged presumably by Mr. Morgan.
- 3. Approximately 18% of Camerina Petroleum was owned by Gunnar Mining. (This information might support credibility of Camerina as a worthwhile security.)

Allowance Requirements

Apparent market value of Camerina shares  
787,000 shares at \$2.10 per share ..... \$ 1,652,700  
Amount of loan ..... 1,350,000

Margin ..... \$ 302,700

Margin per cent—18%

The above margin on the security held and the apparent stability of the Lambert firm would seem reasonable assurance of collectibility of the account.

Allowance required ..... Nil

Notes:

- 1. History of market quotations of Camerina Petroleum as per Financial Post Survey of Oils publications.

	High	Low
1961	\$1.37	\$1.05
1962	2.60	1.65
*1963	2.20	1.90
1964	3.45	2.05
1965	3.60	2.10

The loan apparently was paid in full in August 1964.

# PREMIER FINANCE CORPORATION LIMITED

## Analysis of Accounts Receivable and Bad Debt Allowance Requirements as at December 31, 1963

Debtor	Net Amount Owing (less reserves)	Debtor's Financial Position		Required Allowance For Bad Debts
		Book Value of Net Tangible Assets	Discounted Net Assets	
Discounted "Hard Goods" Accounts—Total.....		\$6,190,410		\$500,000
Discounted "Soft Goods" Accounts—Total.....		1,761,184		140,000
Racan Photo-Copy Corporation Limited.....		590,721	\$168,213	60,000
Miscellaneous Accounts.....		12,150		—
		8,554,465		
Less: Dealer Holdbacks and Reserves.....	\$ 73,085			
Provision for unearned interest.....	494,880			
		567,965		
Net Totals.....		\$7,986,500		\$700,000

## Discounted "Hard Goods" Accounts

Balance Receivable at December 31, 1963..... \$ 6,190,410

### Latest Financial Account Analysis

No detailed listing, ageing or confirmation of accounts was available in the audit file of E. M. Sprackman, Siderson and Company at December 31, 1963.

### Comments

With no analysis of accounts available it would be impossible properly to arrive at an adequate allowance for doubtful accounts. If an analysis were undertaken it would probably have produced results similar to those found by Mr. A. Baker of Standard Discount Corporation in August 1964—where about 50% of the "soft goods" accounts were delinquent 90 days or over. With a situation such as this, it would seem imprudent to reduce the allowance for doubtful accounts from 3% in 1962 to 1.2% in 1963. Write-offs in 1962 were approximately 2% of total accounts, whereas in 1963 about 3% were written-off.

### Allowance for Bad Debts

In view of the absence of effective control over the "hard goods" accounts and the failure to analyse and confirm these accounts, an allowance of at least the same percentage as the 8% required for "soft goods" would be prudent.

Allowance required 8%, or say..... \$ 500,000

## APPENDIX J

### Premier Finance Corporation Limited—(Continued)

#### Discounted "Soft Goods" Accounts

Balance Receivable at December 31, 1963.....	\$ 1,761,184
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#### Latest Financial Account Analysis

No detailed listing, ageing or confirmation of accounts was available in the audit files of E. M. Sprackman, Siderson and Company at December 31, 1963.

#### Comments

With no analysis of accounts available it would be impossible to properly arrive at an adequate allowance for doubtful accounts. If an analysis were undertaken it would probably have produced the results found by Mr. A. Baker of Standard Discount Corporation in August 1964—where about 50% of the accounts were delinquent 90 days or over.

With a situation such as this it would seem imprudent to reduce the allowance for doubtful accounts from 3% in 1962 to 1.2% in 1963. Since it is generally regarded as desirable practice to allow 4% against well-controlled accounts of this nature, it would have been reasonable to expect an increase in this allowance. Write-offs in 1962 were approximately 2% of total accounts, whereas in 1963 about 3% of accounts were written-off.

#### Allowance for Bad Debts

In view of the absence of effective control over the "soft goods" accounts and the failure to analyse and confirm these accounts, an allowance of at least double the normal 4% would be prudent.

Allowance required 8%, or say .....	\$ 140,000
-------------------------------------	------------

### Debtor—RACAN PHOTO-COPY CORPORATION LIMITED

Balance Receivable at December 31, 1963.....	\$ 590,721
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#### Latest Financial Report

Audited financial statements prepared by Grammer, Birnbaum & Co. at June 30, 1963.

#### Major Assets

Accounts receivable—Trade .....	\$ 965,907
Other accounts receivable—guaranteed by a director.....	237,097
Employees and sundry accounts.....	83,145
Inventories.....	356,753
Fixed assets.....	377,509
Research and development cost.....	473,935
Excess of cost of subsidiary over book worth.....	61,440

#### Major Liabilities

Bank advances—secured.....	\$ 426,416
Accounts payable.....	256,079
Income tax payable.....	234,394
Loans payable.....	500,000
Mortgages payable.....	198,790
Advances from a director.....	298,572

Equity.....	\$ 705,461
Current position.....	\$ 703,952
Net tangible assets.....	\$ 168,213
Profit for the year ended June 30, 1963.....	\$ 168,071

#### Allowance for Bad Debts

Repayments on this account became unusual and sporadic in late 1962 and aside from refinancing further 1963 payments, did not do much more than cover interest accruals.

In addition, the large secured bank advances and income tax liabilities which would rank ahead of Premier Finance Corporation's loan—coupled with the low net tangible assets figure—would lead to an allowance against this account.

In view of the foregoing and the assets which might realize considerably less than book value on a forced sale, an allowance of about 10% would be prudent on this account.

Allowance required, say .....	\$ 60,000
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# **APPENDIX K**

**Atlantic Acceptance Corporation Limited  
and  
Montreal Trust Company**

**Composite Indenture  
Providing for Issuance of and  
Securing Senior Notes**

**Incorporating the Original Indenture dated as of  
February 1, 1961 as supplemented and amended  
by the First through Tenth Supplemental  
Indentures thereto**



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\*The Table of Contents is not part of the indenture and does not affect the construction or interpretation of the indenture.

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**THIS INDENTURE** made as of the first day of February, 1961,

BETWEEN:

ATLANTIC ACCEPTANCE CORPORATION LIMITED, a company incorporated under the laws of the Province of Ontario and having its head office at the Town of Oakville in the said Province (hereinafter called the "Company")

OF THE FIRST PART

—and—

MONTREAL TRUST COMPANY, a trust company duly incorporated and authorized to carry on the business of a trust company in all Provinces of Canada (hereinafter called the "Trustee")

OF THE SECOND PART

WITNESSETH THAT:

WHEREAS the Company is desirous of raising money for its corporate purposes and with a view to so doing is desirous of creating and issuing from time to time its Notes to be constituted and secured in the manner hereinafter appearing;

AND WHEREAS all necessary by-laws and resolutions of the Directors and shareholders of the Company have been duly enacted and passed and other proceedings taken and conditions complied with to make the creation and issue of the Notes intended to be issued hereunder and this indenture and the execution thereof legal and valid and in accordance with the laws relating to the Company and with all other laws and regulations in that behalf;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Company and not by the Trustee;

NOW THEREFORE IT IS HEREBY COVENANTED, AGREED AND DECLARED as follows:

## ARTICLE I

### INTERPRETATION

§ 1.01. *Definitions.* The terms defined in this § 1.01 (except as in this indenture otherwise expressly provided or unless the context otherwise requires) for all purposes of this indenture and all indentures supplemental hereto shall have the respective meanings specified in this § 1.01.

“*Canadian dollar*” and the phrase “*Canadian \$*” shall, except as otherwise expressly provided herein, mean a dollar in lawful money of Canada at the particular time specified in respect thereof. The term “*United States dollar*” and the phrase “*U. S. \$*” shall mean a dollar in any coin or currency of the United States of America which at the particular time specified in respect thereof shall be legal tender for the payment of public and private debts in the United States of America.

“*Common Stock*” means capital stock of a corporation which has no preference over any other class of stock of such corporation in the payment of dividends or in any distribution upon liquidation, dissolution or winding-up of such corporation.

“*Company*” means Atlantic Acceptance Corporation Limited, party of the first part hereunder.

“*Consolidated Debt*” means the Senior Debt of the Company and the Debt of its Subsidiaries, consolidated in accordance with generally accepted accounting principles, *provided* that in the case of any Subsidiary all of the Common Stock of which is not owned by the Company and/or other Subsidiaries, the principal amount of the outstanding Debt of such Subsidiary not owned by the Company or another Subsidiary to be included in Consolidated Debt shall be the product obtained by multiplying such outstanding principal amount by a fraction of which the numerator shall be the number of outstanding shares of Common Stock of such Subsidiary owned by the Company and/or other Subsidiaries and

the denominator shall be the total number of outstanding shares of Common Stock of such Subsidiary.

*"Consolidated Net Earnings"* as applied for any period means the net income (or the net deficit, as the case may be) of the Company and its Subsidiaries on a consolidated basis for such period, determined in accordance with generally accepted accounting principles, *provided* that there shall be excluded therefrom net gains or losses in such period from the write-up or write-down of capital assets or on the sale or other disposition, not in the ordinary course of business, of capital assets, or on the acquisition or retirement or sale of stock or securities of the Company or any Subsidiary.

*"Consolidated Net Worth"* means the excess of the assets of the Company and its Subsidiaries (other than write-ups subsequent to September 30, 1959 of assets above cost, debt discount and expense and intangible assets such as good will, excess of cost of investment in Subsidiaries over book value of the assets thereof, and trade-marks), over all (i) indebtedness and other liabilities of the Company and its Subsidiaries, (ii) reserves, other than reserves which are deducted from assets or which, in effect, are appropriations of earned surplus, and (iii) appropriate provisions for the minority interests, if any, of other persons holding stock in any Subsidiary, all as set forth on a consolidated balance sheet of the Company and its Subsidiaries prepared in accordance with generally accepted accounting principles.

*"Counsel"* means any barrister or solicitor or firm of barristers and solicitors retained by the Trustee or retained by the Company and approved by the Trustee.

*"coupon Notes"* means Notes which are issued with interest coupons attached and *"coupons"* means the interest coupons attached or appertaining to such Notes; *"fully registered Notes"* means Notes registered as to both principal and interest; *"registered Notes"* where not qualified by other words means both fully registered Notes and Notes registered as to principal only and *"unregistered Notes"* means Notes which are not so registered.

"*Debt*" of any person means all obligations and liabilities in respect of borrowed money, which, in accordance with generally accepted accounting principles, would be classified as liabilities on the balance sheet of such person or for which, in accordance with such principles, a reserve would be set up on such balance sheet, and all guaranties, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase or otherwise acquire or become liable upon or in respect of any obligations or liabilities of others in respect of borrowed money, and shall also include any obligation or liability in respect of borrowed money secured by any mortgage, pledge or lien existing on property owned subject thereto whether or not such obligation shall have been assumed; *provided*, that notwithstanding the foregoing, any liability or obligation in respect of any sale or discount in the ordinary course of business, with recourse or with a contingent obligation to repurchase, or otherwise reacquire or become liable thereon or in respect thereof, of any Receivables, shall be deemed to constitute Debt only to the extent, if any, that the person purchasing or receiving the same shall establish, by withholding a part of the consideration therefor or from other assets of the seller or transferor, a reserve against losses and contingencies arising in connection with the collection thereof.

"*Delinquent Accounts*" means as at any time the sum of the following items (1), (2) and (3):

(1) The full unpaid amount of Receivables (other than loans made under the Small Loans Act of Canada [herein called "small loans"]) on which any installment of principal or interest is 60 days or more overdue;

(2) The full unpaid amount of small loans on which no collections have been received for 60 days or more; and

(3) The full unpaid amount of small loans on which interest and charges only were received in the last 60 days.

"*Directors*" means the Board of Directors of the Company, or whenever duly empowered the Executive Committee (if any) of the Board of Directors of the Company, for the time being, and



reference without more to action by the Directors or by the Board of Directors shall mean action by the Directors as a Board or by the Executive Committee as such.

*“Event of Default”* shall mean any event specified in § 9.01 continued for the period of time, if any, therein designated.

*“Extraordinary resolution”* has the meaning specified in § 17.01(o).

*“Finance Business”* means, but only if conducted within Canada and/or the United States, (a) the small loan, personal finance, consumer finance, construction loan or installment credit business; (b) the business of purchasing or otherwise acquiring, selling or servicing notes, accounts receivable and conditional sales contracts, mortgages and other commercial paper originating in sales, leases or services at wholesale or retail; (c) otherwise financing purchases, sales and leases of goods, materials, services and equipment; and (d) any business related to or conducted in connection with business of the character referred to in the foregoing clause (a), (b) or (c) other than insurance underwriting, provided that any agreement by the Company or a Subsidiary to extinguish or forgive any obligation to the Company or a Subsidiary upon the death of the obligor or the happening of any other contingency shall be deemed not to be insurance underwriting if the Company or such Subsidiary shall, in the opinion of its Board of Directors, make adequate provision in its accounts against the happening of such contingencies.

*“Finance Receivables”* means Receivables arising from the Finance Business, excluding that portion of the same taken in payment of delinquent interest and also excluding any such bills, notes and other negotiable instruments representing indebtedness of any Subsidiary to the Company or to another Subsidiary.

*“Finance Subsidiary”* means a Subsidiary engaged solely in the Finance Business and owning no material amount of assets other than such assets as are acquired by it in the ordinary course of operation of its Finance Business.

*"indenture"*, *"this indenture"*, *"this deed"*, *"this deed of trust"*, *"this trust deed"*, *"hereto"*, *"herein"*, *"hereof"*, *"hereby"*, *"hereunder"*, and similar expressions refer to this indenture and not to any particular Article, Section or other portion hereof, and include any and every instrument supplemental or ancillary hereto or in implement hereof, and references by the symbol "§" herein are to corresponding sections of this indenture.

*"mortgaged property"* means and includes the specifically mortgaged property and all other property and assets of the Company mortgaged, hypothecated, pledged and/or charged, and/or ceded and transferred, or intended so to be, with the payment of the moneys intended to be secured hereby.

*"Note holders"* or *"holders"* means as regards registered Notes the several persons for the time being entered in the register or registers hereinafter mentioned as holders of any of the Notes and, as regards unregistered Notes, the bearers thereof for the time being.

*"Notes"* means obligations of the Company issued or to be issued hereunder for the time being outstanding and entitled to the benefit of the security hereby created, whether by their terms designated "Notes" or otherwise designated.

*"Officers' Certificate"* means a certificate signed by the Chairman of the Board of Directors, or the President or a Vice-President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Company, or by any one of said officers from either such group and a Director of the Company, and may consist of one or more instruments so executed. The term *"written order"*, *"written request"* or *"written application"* of the Company shall mean a written order, request or application of the Company signed in a corresponding manner.

*"Person"* means and includes an individual, a partnership, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

*“Preferred Stock”* means capital stock of a corporation which has any preference over any other class of stock of such corporation in the payment of dividends or in any distribution upon liquidation, dissolution or winding-up of such corporation.

*“Receivables”* means any promissory note, draft, participation note or other instrument or order for the payment of money, or any other obligation for the payment of money, or any conditional sales contract or any account receivable.

*“Repledge Deficiency”* has the meaning specified in § 6.12(1).

*“Senior Debt”* shall include all Debt of the Company (except Subordinated Debt) not prohibited by the provisions of § 6.12(2) hereof at the time the Company created, assumed, incurred or otherwise became liable for such Debt, whether outstanding at the date of this indenture or created, incurred, assumed or for which the Company otherwise became liable after the date hereof but prior to the maturity of the Notes by lapse of time, acceleration or otherwise.

*“Short Term Notes”* means Notes as defined in subsection (3) of § 2.03.

*“specifically mortgaged property”* means and includes all the property, shares of stock and other securities and assets which may hereafter be granted, conveyed, mortgaged, assigned, hypothecated, pledged and/or charged and/or ceded and transferred by way of a first fixed and specific mortgage, hypothec, pledge and/or charge and/or cession and transfer, or intended so to be, for and with the payment of the moneys intended to be hereby secured, and where the context permits, includes any real or immovable property of a Subsidiary hereafter granted, conveyed, mortgaged, assigned, hypothecated, pledged and/or charged and/or ceded and transferred in favour of the Trustee by way of a first fixed and specific mortgage, hypothec, pledge and/or charge and/or cession and transfer as security for the Notes.

*“Subordinated Debt”* means all Debt which is expressly and validly subordinated to Senior Debt by provisions substantially

identical in effect to the provisions set forth in the Second Schedule hereto (whether or not such Debt is also subordinated to other classes of Debt of the Company).

“*Subsidiary*” means any corporation organized and existing under the laws of Canada or a province thereof or of a state or territory of the United States of America, having substantially all of its assets and conducting substantially all of its business within Canada and/or the United States, of which at least a majority of the Common Stock and Voting Stock is at the time owned by the Company and/or by one or more Subsidiaries.

“*Trustee*” includes any successor or successors to the Trustee named in this indenture and any additional Trustee or Trustees.

“*Voting Stock*” means capital stock of a corporation the holders of which are ordinarily and generally, in the absence of contingencies, entitled to vote for the election of a majority of the directors or persons performing similar functions.

“*Wholly-owned*”, when used with reference to a Subsidiary, shall mean a Subsidiary of which all of the outstanding shares (except directors’ qualifying shares) are owned by the Company or by a Wholly-owned Subsidiary.

§ 1.02. *Headings.* The headings of all the Articles, Sections and other subdivisions hereof and the Table of Contents (if any) are inserted for convenience of reference only and shall not affect the construction or interpretation of this indenture.

## ARTICLE II

### THE NOTES

§ 2.01. *No Fixed Limitation.* The aggregate principal amount of Notes which may be issued hereunder is unlimited but Notes may be issued hereunder only subject to the provisions hereof.

§ 2.02. *Issuance in Series.* The Notes may, at the election of the Directors, be issued in one or more series, subject to compliance with the provisions and conditions hereinafter set forth. The Notes of each such series (except the series initially authorized hereunder,



which shall have the attributes and be subject to the provisions set out in this indenture) shall be in such form, bear such date or dates and mature on demand or on such date or dates, shall bear interest at such rate or rates, may be issued in such denominations, may be redeemable before maturity in such manner and subject to payment of such premium, or without premium, may be payable as to principal, interest and premium (if any) at such place or places and in such currency or currencies, may provide for such sinking fund (if any), may contain such provisions for the interchange or transfer of Notes of different denominations and forms, may have attached thereto and/or issued therewith warrants entitling the holders to subscribe for or purchase shares or other securities of the Company upon such terms, may give the holders thereof the right to convert the same into shares or other securities of the Company upon such terms and may contain such other provisions, not inconsistent with the provisions of this indenture, as may be determined by resolution of the Directors passed at or prior to the time of issue thereof and expressed in an indenture supplemental hereto providing for the issuance of the Notes of such series and (to such extent as the Directors may deem appropriate) in the Notes of such series. At the option of the Company the maximum principal amount of Notes of any series may be limited in such manner as may be expressed in the supplemental indenture providing for the issuance of the Notes of such series and in the Notes of such series.

The Notes of any series may be of different denominations and forms (either fully registered Notes and/or coupon Notes and/or other unregistered Notes) and may contain such variations of tenor and effect, not inconsistent with the provisions of this indenture, as are incidental to such differences of denomination and form including variations in the provisions for the interchange of Notes of different denominations or forms and in the provisions for the registration or transfer of Notes and any series of Notes may consist of Notes having different dates of issue, different dates of maturity, different rates of interest and/or different redemption prices (if any) and/or different sinking fund provisions (if any) and/or partly of Notes carrying the benefit of a sinking fund and partly of Notes with no sinking fund.

Subject to the foregoing provisions and subject to any limitations as to the maximum principal amount of Notes of any series, any of the

Notes may be issued as part of any series of Notes previously issued, in which case they shall bear the same designation and designating letters as have been applied to such similar prior issue and shall be numbered consecutively upwards in respect of each denomination of Notes in like manner and following the numbers of the Notes of such prior issue.

Each Note shall bear upon the face thereof the designation of the series to which it belongs. All Notes of any one series (other than Short Term Notes) at any time outstanding shall be identical in respect of date of maturity, the place or places of payment, the currency in which payable, the rate of interest, the dates of interest payments, the price or prices and terms for optional redemption if redeemable, sinking or purchase fund or analogous provisions (if any), tax payment or reimbursement provisions (if any) and exchange or conversion provisions (if any), except that Notes of the same series may be of different denominations, and Notes of any series may be of serial maturities and, if of serial maturities, may differ with respect to maturity date, interest rate, redemption price and conversion privilege. Principal and interest on the Series A Notes shall be payable in United States dollars and principal and interest on the Series B Notes shall be payable in Canadian dollars, but the Directors may determine that principal of, and premium (if any) and interest on, any subsequent series of Notes shall be payable in the currency of any other country or in one or more such currencies. Each indenture supplemental hereto providing for the issuance of a subsequent series of Notes shall specify the currency or currencies in which principal of, and premium (if any) and interest on, Notes of such series is payable. In the case of the Series A Notes and if the Company shall at any time have outstanding any additional Notes of subsequent series the principal of, and premium (if any) and interest on, which is payable only in a currency or currencies other than lawful money of Canada, the principal amount of, and all other amounts payable in respect of, all such Notes shall, at any particular time, for the purposes of all calculations or determinations under this indenture unless otherwise specifically stated herein, be deemed to be the equivalent Canadian dollar amounts thereof,

calculated at the rate of exchange in effect at the time of the original issuance of such Notes, as determined by the Directors in a manner satisfactory to the Trustee.

The Series A Notes and Series B Notes hereinafter mentioned and the coupons appertaining to coupon Notes of each such Series and the certificate of the Trustee endorsed on the Notes of each such series shall be respectively substantially in one of the forms set forth in the First Schedule hereto with respect thereto and the Short Term Notes shall be substantially in the form set forth in the First Schedule hereto with respect thereto, in each case with appropriate insertions, omissions, substitutions and variations as may be required or permitted by the terms of this indenture.

Any further series of Notes which may at any time be issued hereunder and the coupons (if any) appertaining thereto and the certificate of the Trustee endorsed on such Notes may be respectively substantially in one or more of the forms of the above-mentioned several series of Notes or in such other form or forms as the Directors shall by resolution determine at the time of the first issue of any series or part of series of such Notes and as shall be approved by the Trustee.

The Notes of any series may be engraved, lithographed, printed, mimeographed or typewritten, or partly in one form and partly in another, as the Directors may determine; provided, however, that any typewritten, mimeographed or printed Notes may be exchanged for engraved or lithographed Notes, when available and ready for delivery, at the option of the holders thereof and without expense to such holders.

§ 2.03. *Initial Series.* The Series A Notes, the Series B Notes and the Short Term Notes shall be as follows:

(1) The Series A Notes shall consist of and be limited to the initial issue of Notes aggregating four million United States dollars (U. S. \$4,000,000), shall be designated Series A Notes, shall mature January 1, 1976, shall bear interest at the rate of 6½% per annum from the date thereof, payable semi-annually on the first days of January and July in each year, after as well as before maturity, and after as well as before default, with interest on overdue interest at the said rate. The principal amount of the



Series A Notes, and interest thereon, shall be payable in United States dollars at any branch of The Toronto-Dominion Bank, Toronto, Ontario. The Series A Notes shall be issued as coupon Notes registrable as to principal only in denominations of U. S. \$1000 and any multiple thereof and as fully registered Notes in the denominations of U. S. \$1000 and any multiple thereof. The Series A Notes shall bear interest from and shall be dated February 8, 1961.

(2) The Series B Notes shall consist of and be limited to the initial issue of Notes aggregating one million Canadian dollars (Canadian \$1,000,000), shall be designated Series B Notes, shall mature January 1, 1976, shall bear interest at the rate of  $6\frac{1}{2}\%$  per annum from the date thereof, payable semi-annually on the first days of January and July in each year, after as well as before maturity, and after as well as before default, with interest on overdue interest at the same rate. The principal amount of the Series B Notes, and interest thereon, shall be payable in Canadian dollars at any branch of The Toronto-Dominion Bank, Toronto, Ontario. The Series B Notes shall be issued as coupon Notes registrable as to principal only in denominations of Canadian \$1000 and any multiple thereof and as fully registered Notes in denominations of Canadian \$1000 and any multiple thereof. The Series B Notes shall bear interest from and shall be dated February 8, 1961.

(3) The Short Term Notes shall consist of such principal amount of Notes, limited to such aggregate principal amount as may be issued in compliance with the provisions of this indenture, but in no case shall more than One Billion Canadian dollars (\$1,000,000,000) in aggregate principal amount be outstanding at any time (taking United States dollars as the equivalent of Canadian dollars for the purpose of such limitation). The Short Term Notes may be designated on their face "Notes" or in such other manner as the Company may determine, but shall be herein designated "Short Term Notes", shall be dated the date of issue, shall mature on demand or on such date not later than twelve months after the date thereof, shall bear interest at such rate or rates,



payable after as well as before maturity, and after as well as before default, on such date or dates, all as shall be specified in the Short Term Notes or in the written request to the Trustee for the issuance of Short Term Notes, and shall be payable as to principal and interest at the branch of the bank or trust company specified in such Short Term Notes or request, and may otherwise vary as permitted by § 2.02. The Short Term Notes may be issued as fully registered Notes or as unregistered Notes without coupons in any denomination which the Directors may determine, the delivery of an executed Short Term Note to the Trustee to be conclusive evidence of the Directors' determination in that respect.

Series A Notes, Series B Notes and Short Term Notes may, upon the execution of this indenture or from time to time thereafter, be executed by the Company and delivered to the Trustee for certification, and the Trustee shall thereupon certify and deliver said Notes, without receiving any consideration therefor, to or upon the written order of the Company, without further action by the Company.

**Section 2.01 and 2.02 of First Supplemental Indenture—  
Series C, D, E, F and G Notes:**

Pursuant to the terms of the Trust Deed a third series of Notes to be known as and entitled "Series C Notes", a fourth series of Notes to be known as and entitled "Series D Notes", a fifth series of Notes to be known as and entitled "Series E Notes", a sixth series of Notes to be known as and entitled "Series F Notes", and a seventh series of Notes to be known as and entitled "Series G Notes" are hereby created.

Series C Notes, Series D Notes, Series E Notes, Series F Notes and Series G Notes payable in Canadian dollars may, at any time or from time to time be executed by the Company and delivered to the Trustee and shall be certified by the Trustee and delivered to or to the order of the Company pursuant to a written order or written orders of the Company (either before or after the filing or recording of this First Supplemental Indenture) upon compliance with Section 2.14 of the Original Indenture.

The Series C Notes, the Series D Notes, the Series E Notes, the Series F Notes and the Series G Notes herein mentioned and the coupons appertaining to coupon Notes of each such Series and the certificate of the Trustee endorsed on the Notes of each such series shall be respectively substantially in one of the forms set forth in the First Schedule hereto with respect thereto, in each case with appropriate insertions, omissions, substitutions and variations as may be required or permitted by the terms of this First Supplemental Indenture.

The Series C Notes, the Series D Notes, the Series E Notes, the Series F Notes and the Series G Notes shall be as follows:

(1) The Series C Notes shall consist of and shall be limited to the initial issue of Notes of such Series aggregating six hundred thousand Canadian dollars (Canadian \$600,000), shall be designated Series C Notes, shall mature October 1, 1967, shall bear interest at the rate of  $5\frac{3}{4}\%$  per annum from the date thereof;

(2) The Series D Notes shall consist of and shall be limited to the initial issue of Notes of such Series aggregating four hundred thousand Canadian dollars (Canadian \$400,000), shall be designated Series D Notes, shall mature October 1, 1968, shall bear interest at the rate of  $5\frac{3}{4}\%$  per annum from the date thereof;

(3) The Series E Notes shall consist of and shall be limited to the initial issue of Notes of such Series aggregating four hundred thousand Canadian dollars (Canadian \$400,000), shall be designated Series E Notes, shall mature October 1, 1969, shall bear interest at the rate of  $6\frac{1}{4}\%$  per annum from the date thereof;

(4) The Series F Notes shall consist of and shall be limited to the initial issue of Notes of such Series aggregating three hundred thousand Canadian dollars (Cana-

dian \$300,000), shall be designated Series F Notes, shall mature October 1, 1970, shall bear interest at the rate of  $6\frac{1}{4}\%$  per annum from the date thereof;

(5) The Series G Notes shall consist of and shall be limited to the initial issue of Notes of such Series aggregating three hundred thousand Canadian dollars (Canadian \$300,000), shall be designated Series G Notes, shall mature October 1, 1971, shall bear interest at the rate of  $6\frac{1}{4}\%$  per annum from the date thereof;

(6) Interest on all such Notes shall be payable semi-annually on the first days of April and October in each year, after as well as before maturity, and after as well as before default, with interest on overdue interest at the said rate. The principal amount of all such Notes and interest thereon shall be payable in Canadian dollars at any branch of The Toronto-Dominion Bank, Toronto, Ontario. All such Notes shall be issued as coupon Notes registrable as to principal only in denominations of Canadian \$1,000 and any multiple thereof and as fully registered Notes in denominations of Canadian \$1,000 and any multiple thereof. All such Notes shall bear interest from and shall be dated September 29, 1961.

The Series C Notes, the Series D Notes, the Series E Notes, the Series F Notes and the Series G Notes may, upon the execution of this First Supplemental Indenture or from time to time thereafter, be executed by the Company and delivered to the Trustee for certification, and the Trustee shall thereupon certify and deliver said Notes, without receiving any consideration therefor, to or upon the written order of the Company, without further action by the Company.

**Sections 2.01 and 2.02 of Second Supplemental Indenture—Medium Term Notes:**

Pursuant to the terms of the Trust Deed a series of Notes to be known as and entitled "Medium Term Notes" is hereby created.

Medium Term Notes payable in United States or Canadian dollars may, at any time or from time to time, be executed by the Company and delivered to the Trustee and shall be certified by the Trustee and delivered to or to the order of the Company pursuant to a written order or written orders of the Company (either before or after the filing or recording of this Second Supplemental Indenture) upon compliance with Section 2.14 of the Original Indenture.

The Medium Term Notes herein mentioned and the certificate of the Trustee endorsed on the Medium Term Notes shall be respectively substantially in one of the forms set forth in the First Schedule hereto with respect thereto, in each case with appropriate insertions, omissions, substitutions and variations as may be required or permitted by the terms of this Second Supplemental Indenture.

The Medium Term Notes shall consist of such principal amount of Notes, limited to such aggregate principal amount as may be issued in compliance with the provisions of this Indenture, but in no case shall more than One Billion Canadian Dollars (\$1,000,000,000) in aggregate principal amount be outstanding at any time (taking United States dollars at the equivalent of Canadian dollars for the purpose of such limitation). The Medium Term Notes may be designated on their face "Notes" or in such other manner as the Company may determine, shall be dated the date of issue, shall mature on such date not prior to 12 months after the date thereof and not later than 36 months after the date thereof, shall bear interest at such rate or rates payable after as well as before maturity and after as well as before default on such date or dates, all as shall be specified in the Medium Term Notes or in the request to the Trustee for the issuance of Medium Term Notes and shall be payable as to principal and interest at the



branch of the bank or trust company specified in such Medium Term Notes or request and may otherwise vary as permitted by Section 2.02 of the Original Indenture. The Medium Term Notes may be issued as fully registered Notes or as unregistered Notes without coupons in any denomination which the Directors may determine, the delivery of an executed Medium Term Note to the Trustee to be conclusive evidence of the Directors' determination in that respect.

The Medium Term Notes may, upon the execution of this Second Supplemental Indenture or from time to time thereafter, be executed by the Company and delivered to the Trustee for certification, and the Trustee shall thereupon certify and deliver said Notes, without receiving any consideration therefor, to or upon the written order of the Company, without further action by the Company.

**Sections 2.01 and 2.02 of Third Supplemental Indenture—  
Series H and I Notes:**

Pursuant to the terms of the Trust Deed a series of Notes to be known as and entitled "Series H Notes" and a series of Notes to be known as and entitled "Series I Notes" are hereby created.

Series H Notes payable in Canadian dollars and Series I Notes payable in Canadian dollars may, at any time or from time to time be executed by the Company and delivered to the Trustee and shall be certified by the Trustee and delivered to or to the order of the Company pursuant to a written order or written orders of the Company (either before or after the filing or recording of this Third Supplemental Indenture) upon compliance with Section 2.14 of the Trust Deed.

The Series H Notes and Series I Notes herein mentioned and the coupons appertaining to coupon Notes of such Series and the certificate of the Trustee endorsed

on the Notes of such series shall be respectively substantially in one of the forms set forth in Schedule Three hereto with respect thereto, in each case with appropriate insertions, omissions, substitutions and variations as may be required or permitted by the terms of this Third Supplemental Indenture.

The Series H Notes and Series I Notes shall be as follows:

(1) The Series H Notes shall consist of and shall be limited to the initial issue of Notes of such Series aggregating Seven hundred thousand Canadian dollars (Canadian \$700,000) shall be designated Series H Notes, shall be dated June 1, 1962 shall mature June 1, 1972, and shall bear interest at the rate of 6% per annum from the date thereof.

(2) The Series I Notes shall consist of and shall be limited to the initial issue of Notes of such Series aggregating One million, two hundred and fifty thousand Canadian dollars (Canadian \$1,250,000), shall be designated Series I Notes, shall be dated June 1, 1962, shall mature June 1, 1982 and shall bear interest at the rate of 6% per annum from the date thereof.

(3) Interest on the Series H Notes shall be payable semi-annually on the 1st days of June and December in each year, after as well as before maturity, and after as well as before default, with interest on overdue interest at the said rate. The principal amount of all Series H Notes and interest thereon shall be payable in Canadian dollars at any branch of The Toronto-Dominion Bank, Toronto, Ontario. All the Series H Notes shall be issued as coupon Notes registrable as to principal only in denominations of Canadian \$1,000 and any multiple thereof or as fully registered Notes in denominations of Canadian \$1,000 and any multiple thereof. All such Notes shall bear interest from and shall be dated June 1, 1962.

(4) Interest on Series I Notes shall be payable semi-annually on the first days of June and December in each year as well after as before default with interest on overdue interest at the said rate. The principal amount of all Series I Notes and interest thereon shall be payable in Canadian dollars at any branch of The Toronto-Dominion Bank, Toronto, Ontario. All the Series I Notes shall be issued as coupon Notes registrable as to principal only in denominations of Canadian \$1,000 and any multiple thereof or as fully registered Notes in denominations of Canadian \$1,000 and any multiple thereof. All such Notes shall bear interest from and shall be dated June 1, 1962.

The Series H Notes and Series I Notes may, upon the execution of this Third Supplemental Indenture or from time to time thereafter, be executed by the Company and delivered to the Trustee for certification, and the Trustee shall thereupon certify and deliver said Notes, without receiving any consideration therefor, to or upon the written order of the Company, without further action by the Company.

**Sections 2.01 and 2.02 of Fourth Supplemental Indenture—Series J Notes:**

Pursuant to the terms of the Trust Deed a series of Notes to be known as and entitled “Series J Notes” is hereby created.

Series J Notes payable in United States dollars may, at any time or from time to time be executed by the Company and delivered to the Trustee and shall be certified by the Trustee and delivered to or to the order of the Company pursuant to a written order or written orders of the Company (either before or after the filing or recording of this Fourth Supplemental Indenture) upon compliance with Section 2.14 of the Trust Deed.

The Series J Notes herein mentioned and the coupons appertaining to coupon Notes of such Series and

the certificate of the Trustee endorsed on the Notes of such Series shall be respectively substantially in one of the forms set forth in Schedule Three hereto with respect thereto, in each case with appropriate insertions, omissions, substitutions and variations as may be required or permitted by the terms of this Fourth Supplemental Indenture.

The Series J Notes shall be as follows:

(1) The Series J Notes shall consist of and shall be limited to the initial issue of the Notes of such Series aggregating two million, two hundred and fifty thousand United States dollars (U. S. \$2,250,000), shall be designated Series J Notes, shall be dated June 15, 1962, shall mature June 15, 1975 and shall bear interest at the rate of 6% per annum from the date thereof.

(2) Interest on Series J Notes shall be payable semi-annually on the fifteenth days of June and December in each year as well after as before default with interest on overdue interest at the said rate. The principal amount of all Series J Notes and interest thereon shall be payable in U.S. dollars at the branch of The Toronto-Dominion Bank, in the Borough of Manhattan, City and State of New York, provided that if the Company shall notify the holders of Series J Notes, in the manner provided in Article XVI of the Original Indenture, of another place of payment in such Borough (which shall be at an office of a bank or trust company which is in good standing, is authorized by law to exercise corporate trust powers and is subject to supervision or examination by authority of the United States or any State thereof), then such amounts shall be payable at such other place. All the Series J Notes shall be issued as coupon Notes registrable as to principal only in denominations of U. S. \$1,000 and any multiple thereof or as fully registered Notes in denominations of U. S. \$1,000 and any multiple thereof. All such Notes shall bear interest from and shall be dated June 1, 1962.



The Series J Notes may, upon the execution of this Fourth Supplemental Indenture or from time to time thereafter, be executed by the Company and delivered to the Trustee for certification, and the Trustee shall thereupon certify and deliver said Notes, without receiving any consideration therefor, to or upon the written order of the Company, without further action by the Company.

**Sections 2.01 and 2.02 of Fifth Supplemental Indenture — Series K Notes:**

Pursuant to the terms of the Trust Deed a series of Notes to be known as and entitled "Series K Notes" is hereby created.

Series K Notes payable in United States dollars may, at any time or from time to time be executed by the Company and delivered to the Trustee and shall be certified by the Trustee and delivered to or to the order of the Company pursuant to a written order or written orders of the Company (either before or after the filing or recording of this Fifth Supplemental Indenture) upon compliance with Section 2.14 of the Trust Deed.

The Series K Notes herein mentioned and the coupons appertaining to coupon Notes of such Series and the certificate of the Trustee endorsed on the Notes of such Series shall be respectively substantially in one of the forms set forth in Schedule Three hereto with respect thereto, in each case with appropriate insertions, omissions, substitutions and variations as may be required or permitted by the terms of the Trust Deed.

The Series K Notes shall be as follows:

(1) The Series K Notes shall consist of and shall be limited to the initial issue of the Notes of such Series aggregating one million, five hundred thousand United States dollars (U. S. \$1,500,000), shall be designated Series K Notes, shall be dated June 29, 1962, shall

mature June 15, 1975 and shall bear interest at the rate of 6% per annum from the date thereof.

(2) Interest on Series K Notes shall be payable semi-annually on the fifteenth days of June and December in each year as well after as before default with interest on overdue interest at the said rate. The principal amount of all Series K Notes and interest thereon shall be payable in U.S. dollars at the branch of The Toronto-Dominion Bank, in the Borough of Manhattan, City and State of New York, provided that if the Company shall notify the holders of Series K Notes, in the manner provided in Article XVI of the Original Indenture, of another place of payment in such Borough (which shall be at an office of a bank or trust company which is in good standing, is authorized by law to exercise corporate trust powers and is subject to supervision or examination by authority of the United States or any State thereof), then such amounts shall be payable at such other place. All the Series K Notes shall be issued as coupon Notes registrable as to principal only in denominations of U. S. \$1,000 and any multiple thereof or as fully registered Notes in denominations of U. S. \$1,000 and any multiple thereof. All such Notes shall be dated and shall bear interest from June 29, 1962.

The Series K Notes may, upon the execution of this Fifth Supplemental Indenture or from time to time thereafter, be executed by the Company and delivered to the Trustee for certification, and the Trustee shall thereupon certify and deliver said Notes, without receiving any consideration therefor, to or upon the written order of the Company, without further action by the Company.

**Sections 2.01 and 2.02 of Sixth Supplemental Indenture—  
Series L and M Notes:**

Pursuant to the terms of the Trust Deed a series of Notes to be known as and entitled “Series L Notes” and

a series of Notes to be known as and entitled "Series M Notes" are hereby created.

Series L Notes payable in United States dollars and Series M Notes payable in United States dollars may, at any time or from time to time be executed by the Company and delivered to the Trustee and shall be certified by the Trustee and delivered to or to the order of the Company pursuant to a written order or written orders of the Company (either before or after the filing or recording of this Sixth Supplemental Indenture) upon compliance with Section 2.14 of the Trust Deed.

The Series L Notes and Series M Notes herein mentioned and the coupons appertaining to coupon Notes of such Series and the certificate of the Trustee endorsed on the Notes of such Series shall be respectively substantially in one of the forms set forth in Schedule Three hereto with respect thereto, in each case with appropriate insertions, omissions, substitutions and variations as may be required or permitted by the terms of this Sixth Supplemental Indenture.

The Series L Notes and Series M Notes shall be as follows:

(1) The Series L Notes shall consist of and shall be limited to the initial issue of the Notes of such Series aggregating two million, five hundred thousand United States dollars (U. S. \$2,500,000), shall be designated Series L Notes, shall be dated October 1, 1962, shall mature October 1, 1974 and shall bear interest at the rate of 6% per annum from the date thereof.

(2) The Series M Notes shall consist of and shall be limited to the initial issue of the Notes of such Series aggregating two million, five hundred thousand United States dollars (U. S. \$2,500,000), shall be designated Series M Notes, shall be dated October 1, 1962,

shall mature October 1, 1979 and shall bear interest at the rate of 6% per annum from the date thereof.

(3) Interest on Series L Notes shall be payable semi-annually on the first days of April and October in each year as well after as before default with interest on overdue interest at the said rate. The principal amount of all Series L Notes and interest thereon shall be payable in U.S. dollars at the branch of The Toronto-Dominion Bank in the Borough of Manhattan, City and State of New York, provided that if the Company shall notify the holders of Series L Notes, in the manner provided in Article XVI of the Original Indenture, of another place of payment in such Borough (which shall be at an office of a bank or trust company which is in good standing, is authorized by law to exercise corporate trust powers and is subject to supervision or examination by authority of the United States or any State thereof), then such amounts shall be payable at such other place. All the Series L Notes shall be issued as coupon Notes registrable as to principal only in denominations of U. S. \$1,000 and any multiple thereof or as fully registered Notes in denominations of U. S. \$1,000 and any multiple thereof. All such Notes shall bear interest from and shall be dated October 1, 1962.

(4) Interest on Series M Notes shall be payable semi-annually on the first days of April and October in each year as well after as before default with interest on overdue interest at the said rate. The principal amount of all Series M Notes and interest thereon shall be payable in U.S. dollars at the branch of The Toronto-Dominion Bank in the Borough of Manhattan, City and State of New York, provided that if the Company shall notify the holders of Series M Notes, in the manner provided in Article XVI of the Original Indenture, of another place of payment in such Borough (which shall be at an office of a bank or trust company which is in good



standing, is authorized by law to exercise corporate trust powers and is subject to supervision or examination by authority of the United States or any State thereof), then such amount shall be payable at such other place. All the Series M Notes shall be issued as coupon Notes registrable as to principal only in denominations of U. S. \$1,000 and any multiple thereof or as fully registered Notes in denominations of U. S. \$1,000 and any multiple thereof. All such Notes shall bear interest from and shall be dated October 1, 1962.

The Series L and Series M Notes may, upon the execution of this Sixth Supplemental Indenture or from time to time thereafter, be executed by the Company and delivered to the Trustee for certification, and the Trustee shall thereupon certify and deliver said Notes, without receiving any consideration therefor, to or upon the written order of the Company, without further action by the Company.

**Sections 2.01 and 2.02 of Seventh Supplemental Indenture—Series N Notes:**

Pursuant to the terms of the Trust Deed a series of Notes to be known as and entitled "Series N Notes" is hereby created.

Series N Notes payable in United States dollars may, at any time or from time to time, be executed by the Company and delivered to the Trustee and shall be certified by the Trustee and delivered to or to the order of the Company pursuant to a written order or written orders of the Company (either before or after the filing or recording of this Seventh Supplemental Indenture) upon compliance with Section 2.14 of the Trust Deed.

The Series N Notes herein mentioned and the coupons appertaining to coupon Notes of such Series and the certificate of the Trustee endorsed on the Notes of such Series shall be respectively substantially in one

of the forms set forth in Schedule Three hereto with respect thereto, in each case with appropriate insertions, omissions, substitutions and variations as may be required or permitted by the terms of this Seventh Supplemental Indenture.

The Series N Notes shall be as follows:

(1) The Series N Notes shall consist of and shall be limited to the initial issue of the Notes of such Series aggregating seven million, five hundred thousand United States dollars (U.S. \$7,500,000), shall be designated Series N Notes, shall be dated February 1, 1963, shall mature February 1, 1983 and shall bear interest at the rate of  $5\frac{3}{4}\%$  per annum from the date thereof.

(2) Interest on Series N Notes shall be payable semi-annually on the first days of February and August in each year as well after as before default with interest on overdue interest at the said rate. The principal amount of all Series N Notes and interest thereon shall be payable in U.S. dollars at the branch of The Toronto-Dominion Bank in the Borough of Manhattan, City and State of New York, provided that if the Company shall notify the holders of Series N Notes, in the manner provided in Article XVI of the Original Indenture, of another place of payment in such Borough (which shall be at an office of a bank or trust company which is in good standing, is authorized by law to exercise corporate trust powers and is subject to supervision or examination by authority of the United States or any State thereof), then such amounts shall be payable at such other place. All the Series N Notes shall be issued as coupon Notes registrable as to principal only in denominations of U.S. \$1,000 and any multiple thereof or as fully registered Notes in denominations of U.S. \$1,000 and any multiple thereof. All such Notes shall bear interest from and shall be dated February 1, 1963.

The Series N Notes may, upon the execution of this

Seventh Supplemental Indenture or from time to time thereafter, be executed by the Company and delivered to the Trustee for certification, and the Trustee shall thereupon certify and deliver said Notes, without receiving any consideration therefor, to or upon the written order of the Company, without further action by the Company.

**Sections 2.01 and 2.02 of Eighth Supplemental Indenture—  
Series O Notes:**

Pursuant to the terms of the Trust Deed a series of Notes to be known as and entitled “Series O Notes” is hereby created.

Series O Notes payable in Canadian dollars may, at any time or from time to time, be executed by the Company and delivered to the Trustee and shall be certified by the Trustee and delivered to or to the order of the Company pursuant to a written order or written orders of the Company (either before or after the filing or recording of this Eighth Supplemental Indenture) upon compliance with Section 2.14 of the Trust Deed.

The Series O Notes herein mentioned and the coupons appertaining to coupon Notes of such Series and the certificate of the Trustee endorsed on the Notes of such Series shall be respectively substantially in one of the forms set forth in Schedule Three hereto with respect thereto, in each case with appropriate insertions, omissions, substitutions and variations as may be required or permitted by the terms of this Eighth Supplemental Indenture.

The Series O Notes shall be as follows:

(1) The Series O Notes shall consist of and shall be limited to initial issue of the Notes of such Series aggregating one million, five hundred thousand Canadian dollars (Can. \$1,500,000), shall be designated Series O Notes, shall be dated July 15, 1964, shall mature

July 15, 1978 and shall bear interest at the rate of  $6\frac{1}{8}\%$  per annum from the date thereof.

(2) Interest on Series O Notes shall be payable semi-annually on the 15th days of January and July in each year as well after as before default with interest on overdue interest at the said rate. The principal amount of all Series O Notes and interest thereon shall be payable in Canadian dollars at the branch of The Toronto-Dominion Bank in the Borough of Manhattan, City and State of New York, provided that if the Company shall notify the holders of Series O Notes, in the manner provided in Article XVI of the Original Indenture, of another place of payment in such Borough (which shall be at an office of a bank or trust company which is in good standing, is authorized by law to exercise corporate trust powers and is subject to supervision or examination by authority of the United States or any State thereof), then such amounts shall be payable at such other place. All the Series O Notes shall be issued as coupon Notes registrable as to principal only in denominations of Can. \$1,000 and any multiple thereof or as fully registered Notes in denominations of Can. \$1,000 and any multiple thereof. All such Notes shall bear interest from and shall be dated July 15, 1964.

The Series O Notes may, upon the execution of this Eighth Supplemental Indenture or from time to time thereafter, be executed by the Company and delivered to the Trustee for certification, and the Trustee shall thereupon certify and deliver said Notes, without receiving any consideration therefor, to or upon the written order of the Company, without further action by the Company.

**Sections 2.01 and 2.02 of Ninth Supplemental Indenture  
—Series P Notes**

Pursuant to the terms of the Trust Deed a series of Notes to be known as and entitled "Series P Notes" is hereby created.



Series P Notes payable in United States dollars may, at any time or from time to time, be executed by the Company and delivered to the Trustee and shall be certified by the Trustee and delivered to or to the order of the Company pursuant to a written order or written orders of the Company (either before or after the filing or recording of this Ninth Supplemental Indenture) upon compliance with Section 2.14 of the Trust Deed.

The Series P Notes herein mentioned and the coupons appertaining to coupon Notes of such Series and the certificate of the Trustee endorsed on the Notes of such Series shall be respectively substantially in one of the forms set forth in Schedule Three hereto with respect thereto, in each case with appropriate insertions, omissions, substitutions and variations as may be required or permitted by the terms of this Ninth Supplemental Indenture.

The Series P Notes shall be as follows:

(1) The Series P Notes shall consist of and shall be limited to the initial issue of the Notes of such Series aggregating one million, five hundred thousand United States dollar (U. S. \$1,500,000), shall be designated Series P Notes, shall be dated September 1, 1964, shall mature September 1, 1976 and shall bear interest at the rate of 6% per annum from the date thereof.

(2) Interest on Series P Notes shall be payable semi-annually on the 1st days of March and September in each year as well after as before default with interest on overdue interest at the said rate. The principal amount of all Series P Notes and interest thereon shall be payable in United States dollars at the branch of The Toronto-Dominion Bank in the Borough of Manhattan, City and State of New York, provided that if the Company shall notify the holders of Series P Notes, in the manner provided in Article XVI of the Original Indenture, of another place of payment in such

Borough (which shall be at an office of a bank or trust company which is in good standing, is authorized by law to exercise corporate trust powers and is subject to supervision or examination by authority of the United States or any State thereof), then such amounts shall be payable at such other place. All the Series P Notes shall be issued as coupon Notes registrable as to principal only in denominations of U. S. \$1,000 and any multiple thereof or as fully registered Notes in denominations of U. S. \$1,000 and any multiple thereof. All such Notes shall bear interest from and shall be dated September 1, 1964.

The Series P Notes may, upon the execution of this Ninth Supplemental Indenture or from time to time thereafter, be executed by the Company and delivered to the Trustee for certification, and the Trustee shall thereupon certify and deliver said Notes, without receiving any consideration therefor, to or upon the written order of the Company, without further action by the Company.

**Sections 2.01 and 2.02 of Tenth Supplemental Indenture—Series Q Notes:**

Pursuant to the terms of the Trust Deed a series of Notes to be known as and entitled "Series Q Notes" is hereby created.

Series Q Notes payable in United States dollars may, at any time or from time to time, be executed by the Company and delivered to the Trustee and shall be certified by the Trustee and delivered to or to the order of the Company pursuant to a written order or written orders of the Company (either before or after the filing or recording of this Tenth Supplemental Indenture) upon compliance with Section 2.14 of the Trust Deed.

The Series Q Notes herein mentioned and the coupons appertaining to coupon Notes of such Series and the certificate of the Trustee endorsed on the Notes of

such Series shall be respectively substantially in one of the forms set forth in Schedule Three hereto with respect thereto, in each case with appropriate insertions, omissions, substitutions and variations as may be required or permitted by the terms of this Tenth Supplemental Indenture.

The Series Q Notes shall be as follows:

(1) The Series Q Notes shall consist of and shall be limited to the initial issue of the Notes of such Series aggregating eight million, five hundred thousand United States dollars (U. S. \$8,500,000), shall be designated Series Q Notes, shall be dated September 25, 1964, shall mature August 1, 1978 and shall bear interest at the rate of 6% per annum from the date thereof.

(2) Interest on Series Q Notes shall be payable semi-annually on the first day of February and August in each year as well after as before default with interest on overdue interest at the said rate. The principal amount of all Series Q Notes and interest thereon shall be payable in U. S. dollars at the branch of The Toronto-Dominion Bank in the Borough of Manhattan, City and State of New York, provided that if the Company shall notify the holders of Series Q Notes, in the manner provided in Article XVI of the Original Indenture, of another place of payment in such Borough (which shall be at an office of a bank or trust company which is in good standing, is authorized by law to exercise corporate trust powers and is subject to supervision or examination by authority of the United States or any State thereof), then such amounts shall be payable at such other place. All the Series Q Notes shall be issued as coupon Notes registrable as to principal only in denominations of U. S. \$1,000 and any multiple thereof or as fully registered Notes in denominations of U. S. \$1,000 and any multiple thereof. All such Notes shall bear interest from and shall be dated September 25, 1964.

The Series Q Notes may, upon the execution of this Tenth Supplemental Indenture or from time to time thereafter, be executed by the Company and delivered to the Trustee for certification, and the Trustee shall thereupon certify and deliver said Notes, without receiving any consideration therefor, to or upon the written order of the Company, without further action by the Company.

§ 2.04. *Signature of Notes and Coupons.* All Notes shall be signed (either manually or by facsimile signatures) by the Chairman of the Board of Directors or the President or a Vice-President or the Treasurer and by the Secretary or an Assistant Secretary or an Assistant Treasurer of the Company holding office at the time of signing. All Notes, other than Short Term Notes, shall be under the seal of the Company, and the Short Term Notes may be under the seal of the Company or not, as determined by the Directors, the delivery of an executed Short Term Note to the Trustee to be conclusive evidence of the Directors' determination in that respect. Interest coupons attached to coupon Notes shall have reproduced thereon the facsimile signature of the present or any future Treasurer of the Company. A facsimile signature upon any of the Notes and/or coupons shall for all purposes of this indenture be deemed to be the signature of the person whose signature it purports to be and notwithstanding that any person whose signature, either manual or in facsimile, may appear on the Notes or coupons is not at the date of this indenture or at the date of the Notes or at the date of the certifying and delivery thereof the Chairman of the Board of Directors, President, a Vice-President, the Secretary, the Treasurer, an Assistant Secretary or an Assistant Treasurer, as the case may be, of the Company, such Notes or coupons shall be valid and binding upon the Company and entitled to the security of this indenture.

§ 2.05. *Certification.* No Note shall be issued or, if issued, shall be obligatory, or shall entitle the holder to the benefit of the security hereby created, until it has been certified by or on behalf of the Trustee substantially in one of the forms set out in the First Schedule hereto or in some other form approved by the Trustee. Such certificate on



any Note shall be conclusive evidence that such Note is duly issued, is a valid obligation of the Company and is secured hereby.

The coupons for interest (if any) matured at the date of delivery by the Trustee of definitive coupon Notes issued hereunder shall (subject to the provisions of § 2.11) be detached from the same and cancelled before delivery unless the same represent unpaid interest on outstanding interim Notes or Trustee's interim certificates which are being exchanged for the said coupon Notes.

All fully registered Notes issued hereunder, whether issued originally or in exchange for other Notes, shall bear interest from their date or from the last interest payment date on which interest shall have been paid or made available for payment on the outstanding Notes of the same series, whichever shall be the later.

All unregistered Notes without coupons issued hereunder shall either bear interest from their date or after maturity only, as may be specified therein.

The certificate of the Trustee signed on the Notes and/or interim Notes and/or Trustee's interim certificates hereinafter mentioned shall not be construed as a representation or warranty by the Trustee as to the validity of this indenture or of said Notes and/or said certificates and the said Trustee shall in no respect be liable or answerable for the use made of said Notes and/or certificates or any of them or the proceeds thereof.

§ 2.06. *Interim Notes and Trustee's Interim Certificates.* Pending the preparation and delivery to the Trustee of definitive Notes of any series or part of a series the Company may execute in lieu thereof (but subject to the same provisions, conditions and limitations as herein set forth) and the Trustee may certify interim printed, mimeographed or typewritten Notes, either registered or payable to bearer, with or without coupons, in such form and in such denominations and with such appropriate omissions, insertions and variations as may be approved by the Trustee and the Secretary or the Treasurer or an Assistant Secretary or an Assistant Treasurer of the Company (whose certification or signature, either manual or in facsimile, as the case may be, on any such interim Notes shall be conclusive evidence of such approval) entitling the holders thereof to definitive Notes of such

series or part of a series in any authorized denominations when the same are prepared and ready for delivery, without expense to the holders, but the total amount of interim Notes of any series or part of a series so issued shall not exceed the total amount of Notes of such series or part of a series for the time being authorized. Provided that the Company may execute interim Notes of any series or part of a series aggregating in principal amount not in excess of the principal amount of the Notes of such series or part of a series authorized to be issued hereunder and may deliver the same to the Trustee and thereupon the Trustee (but subject to the same provisions, conditions and limitations as herein set forth) may issue its own interim certificates (herein referred to as "Trustee's interim certificates") in such form and in such amounts, not exceeding in the aggregate the principal amount of the interim Notes of such series or part of a series so delivered to it, as the Company and the Trustee may approve, entitling the holders thereof of definitive Notes of such series or part of a series when the same are prepared and ready for delivery, without expense to the holders. Forthwith after the issuance of any such interim Notes or Trustee's interim certificates the Company shall cause to be prepared the appropriate definitive Notes for delivery to the holders of such interim Notes or Trustee's interim certificates.

Any such interim Notes or Trustee's interim certificates when duly issued shall, until exchanged for definitive Notes, entitle the holders thereof to rank for all purposes as Note holders and otherwise in respect of this indenture to the same extent and in the same manner as though the said exchange had actually been made. When exchanged for definitive Notes such interim Notes or Trustee's interim certificates shall forthwith be cancelled by the Trustee. Any interest paid upon interim Notes without coupons or Trustee's interim certificates shall be noted thereon by the paying agent.

§ 2.07. *Notes Equally Secured.* The Notes may be issued in such amounts, to such persons, on such terms, not inconsistent with the provisions of this indenture, and either at par or at a discount or at a premium as the directors of the Company may determine. Each Note, however denominated, as soon as issued or negotiated, shall, subject to the terms hereof, be equally and proportionately secured

hereby (except as to sinking funds for the Notes of different series) as if all of the Notes had been issued and negotiated simultaneously.

§ 2.08. *Registration of Notes.* Except as provided in § 2.10 with respect to Short Term Notes bearing the legend set forth in § 2.10(e), any Notes issued hereunder shall be negotiable and shall pass by delivery unless registered for the time being in the name of the holder as hereinafter provided.

The Company shall cause to be kept by and at the offices of the Trustee in the City of Toronto, Ontario, and at such other place or places and/or by such other registrar or registrars (if any) as the Company with the approval of the Trustee may determine, registers in which the holder or holders of any unregistered Notes which by their terms are registrable as to principal only may register the same as to principal only, such registration to be noted on such Notes. The name and address of each holder of Notes so registered and particulars of the Notes held by him shall be entered in the register in which such Notes are registered. After such registration of a Note as to principal no transfer thereof shall be valid unless made on the register on which such registration appears by the registered holder or by his executors, administrators or other legal representatives or his or their attorney, duly appointed by an instrument in writing in form and as to execution satisfactory to the Trustee, and upon compliance with such reasonable requirements as the Trustee or other registrar may prescribe, and unless such transfer shall have been duly noted on such Note by the Trustee or other registrar, but any Note registered as to principal only may be discharged from registry by being in like manner transferred to bearer, after which it shall again be transferable by delivery, but may again from time to time be registered and discharged from registry.

Any such registration of a coupon Note as to principal shall not affect the negotiability of the coupons but they shall always be transferable by delivery.

The Company shall also cause to be kept by and at the offices of the Trustee in the City of Toronto, Ontario, and at such other place or places and /or by such other registrar or registrars (if any) as the Company with the approval of the Trustee may determine, regi-



sters in which shall be entered the names and addresses of the holders of fully registered Notes and particulars of the Notes held by them respectively and of all transfers of fully registered Notes. No transfer of a fully registered Note shall be valid unless made on the register on which such Note is registered by the registered holder or by his executors, administrators or other legal representatives or his or their attorney, duly appointed by an instrument in writing in form and as to execution satisfactory to the Trustee, and upon compliance with such reasonable requirements as the Trustee or other registrar may prescribe, and unless such transfer shall have been noted on such Note by the Trustee or other registrar.

The registers referred to in this Section shall at all reasonable times be open for inspection by the Company, by the Trustee and by any Note holder.

The registered holder of a registered Note, whether fully registered or registered as to principal only, may at any time and from time to time have the registration of such Note transferred from the register on which such registration appears to another register maintained in another place pursuant to the provisions of this Section, in accordance with such reasonable regulations as the Trustee may prescribe.

The registers of fully registered Notes of any series may be closed for a period not exceeding fifteen days immediately preceding any date upon which interest on such Notes is payable or immediately preceding any designation of Notes to be redeemed. The Trustee and/or any registrar for any of the Notes and/or the Company shall not be required to make transfers or exchanges of Notes which have been designated for redemption.

The Trustee and/or any registrar for any of the Notes and/or the Company shall not be charged with notice of or be bound to see to the execution of any trust, whether express, implied or constructive, in respect of any Note and may transfer the same on the direction of the registered holder thereof, whether named as trustee or otherwise, as though that person were the beneficial owner thereof.

Except in the case of the registers required to be kept at the said City of Toronto, the Company, with the approval of the Trustee, shall



have power at any time to close any register upon which the entries of the registration of any Notes appear and in that event shall transfer the records thereof to another existing register or to a new register and thereafter such Notes shall be deemed to be registered on such existing or new register as the case may be. In the event that the register in any place is closed and the records transferred to a register kept in another place, notice of such change shall be given, in the manner provided in § 16.02, to the holders of the Notes registered in the register so closed.

§ 2.09. *Persons Entitled to Payment.* The person in whose name any registered Notes shall be registered shall be deemed the owner thereof for all purposes of this indenture and payment of or on account of the principal of and premium (if any) on such Notes shall be made only to or upon the order in writing of such registered holder thereof and such payment shall be a good and sufficient discharge to the Company and to the Trustee for the amounts so paid.

In the case of fully registered Notes, as the interest on such Notes matures (except interest payable at maturity or on redemption, which shall be paid upon presentation and surrender of such Notes for payment) the Company, at least three days prior to each date on which interest on such Notes becomes due, shall forward or cause to be forwarded by prepaid post, to the holder for the time being or, in the case of joint holders, to one of such joint holders, at his address appearing on the appropriate register hereinbefore mentioned, a warrant or cheque on the Company's bankers for such interest (less any tax required to be deducted) payable to the order of such holder or holders and negotiable at par at each of the places at which interest upon such Notes is payable. The forwarding of such warrant or cheque, as the case may be, shall satisfy and discharge the liability for the interest upon such Notes to the extent of the sums represented thereby (plus the amount of any tax deducted as aforesaid) unless such warrant or cheque be not paid on presentation, provided that in the event of the non-receipt of such warrant or cheque by the registered holder, or the loss or destruction thereof, the Company upon being furnished with reasonable evidence of such non-receipt, loss or destruction and indemnity reasonably satisfactory to it shall issue to such registered

holder a replacement warrant or cheque for the amount of such warrant or cheque

The Company, the Trustee and any paying agent may deem and treat the bearer of any coupon Note which is not registered as to principal and the bearer of any coupon for interest on any coupon Note, whether such Note shall be registered as to principal or not, as the absolute owner of such Note and/or coupon for the purpose of receiving payment thereof, and for all other purposes whatsoever, and the Company and the Trustee shall not be affected by any notice to the contrary.

The registered holder for the time being of any registered Note and the bearer for the time being of any Note payable to bearer and the bearer of each of the interest coupons (except any coupon which shall be void by reason of the acceleration of the maturity of the Note to which it was annexed) shall be entitled to the principal moneys, premium (if any) and interest evidenced by such instruments respectively, free from all equities or rights of set-off or counterclaim between the Company and the original or any intermediate holder thereof and all persons may act accordingly and a transferee of a registered Note shall, after the appropriate form of transfer is lodged with the registrar and upon compliance with all other conditions in that behalf required by this indenture or by any conditions endorsed on the Note or by law, be entitled to be entered on any one of the said registers as the owner of such Note free from all equities or rights of set-off or counterclaim between the Company and his transferor or any previous holder thereof, save (1) in respect of equities of which the Company is required to take notice by statute or by order of a court of competent jurisdiction and (2) in respect of any equities arising under § 2.10 concerning Short Term Notes bearing the legend set forth in § 2.10(e).

Where registered Notes are registered in more than one name the principal moneys, premium (if any) and interest (in the case of fully registered Notes) from time to time payable in respect thereof may be paid by cheque or warrant payable to the order of all such holders, failing written instructions from them to the contrary, and the receipt

of any one of such holders therefor shall be a valid discharge to the Trustee and any Note registrar and to the Company.

§ 2.10. *Pledge and Re-issue of Notes.* All or any of the Short Term Notes may be pledged, hypothecated or charged from time to time by the Company to its Canadian chartered bankers (hereinafter in this § 2.10 called "*Pledgees*") as security for current indebtedness or other obligations of the Company to such Pledgees, upon and subject to the following terms and conditions:

(a) If at any time the aggregate principal amount of the Short Term Notes held by a Pledgee as security as aforesaid shall exceed the amount of such indebtedness or other obligations of the Company to such Pledgee, such Pledgee shall deliver such Short Term Notes to the Trustee and the Trustee shall endorse thereon the legend set out in § 2.10(e) and return the same to such Pledgee.

(b) As between Noteholders, a Pledgee shall be entitled to rank upon or in respect of the proceeds of any realization hereunder pro rata with other Noteholders according to the lesser of (i) the amount of the indebtedness or other obligations of the Company (including interest thereon) to such Pledgee or (ii) the aggregate principal amount of Short Term Notes so held by such Pledgee, together with premium (if any) and interest and interest on overdue interest thereon.

(c) Notwithstanding the provisions of § 6.09 hereof, Short Term Notes held by a Pledgee and endorsed by the Trustee as aforesaid may at any time and from time to time (whether or not an event of default shall have occurred) be exchanged for Short Term Notes without such endorsement in an aggregate principal amount equal to the amount of the indebtedness or other obligations of the Company to such Pledgee at the time of such exchange; any such exchange shall be made by the Trustee upon production to the Trustee of proof of the amount of the indebtedness or other obligations of the Company to such Pledgee at such time and the surrender to the Trustee of the Short Term Notes endorsed as aforesaid.



(d) For all purposes of this § 2.10, a statutory declaration by any manager, assistant manager or accountant of a Pledgee as to the amount of the indebtedness or other obligations of the Company to such Pledgee shall be conclusive proof thereof.

(e) The legend to be endorsed by the Trustee on Short Term Notes in accordance with the foregoing provisions of this § 2.10 shall be as follows:

“This Short Term Note is not transferable but may be exchanged for transferable Short Term Notes subject to and in accordance with the terms and conditions of the indenture (and in particular § 2.10 thereof) referred to in the Trustee’s Certificate set out hereon.

Dated, .....

MONTREAL TRUST COMPANY

By .....”

(f) All or any of such Short Term Notes when redelivered to the Company or its nominees on or without payment, satisfaction, release or discharge in whole or in part of such advances, loans, indebtedness or obligations, shall (except when acquired pursuant to any provision of such Notes or of this indenture or pursuant to a resolution of the Directors which provision or resolution requires cancellation and retirement of such Notes so acquired) while the Company remains in possession thereof be treated as unissued notes (except that such Notes while in the possession of the Company shall be regarded as outstanding for the purpose of determining whether the Company or any Subsidiary can issue or become liable on indebtedness or liabilities under the provisions of § 6.12 or Notes of subsequent series pursuant to the provisions of § 2.14 or § 6.12) and accordingly may be issued or re-issued, pledged or charged, sold or otherwise disposed of as and when the Company may think fit, and all such Notes so issued, re-issued, or pledged or charged, sold or otherwise disposed of before but not after the respective dates of maturity thereof



shall continue to be entitled, as upon their original issue, to the benefit of all the terms, conditions, rights, priorities and privileges hereby attached to or conferred on Notes issued hereunder.

§ 2.11. *Mutilation, Loss or Destruction of Notes.* In case any of the interim or definitive Notes or coupons issued hereunder shall become mutilated or be lost, stolen or destroyed, the Coupon, in its discretion, may issue, and thereupon the Trustee shall certify and deliver, a new Note or coupon of like date and tenor upon surrender and cancellation of the mutilated Note or coupon, or, in the case of a lost, stolen or destroyed Note or coupon, in lieu of and in substitution for the same, and the substituted Note or coupon shall be in a form approved by the Trustee and shall be entitled to the benefits of this indenture equally with all other Notes and/or coupons issued or to be issued hereunder. In case of loss, stealing or destruction the applicant for a substituted Note or coupon shall furnish to the Company and to the Trustee such evidence of such loss, stealing or destruction as shall be satisfactory to the Company and to the Trustee in their discretion and shall also furnish indemnity satisfactory to them in their discretion and shall pay all expenses incidental to the issuance of such substituted Note or coupon.

§ 2.12. *Exchange of Notes.* Coupon Notes may be exchanged for fully registered Notes and vice versa and Notes of any denomination may be exchanged for Notes of any other authorized denomination or denominations, any such exchange to be for an equivalent principal amount of Notes of the same series carrying the same rate of interest and having the same maturity date, and the same redemption and sinking fund provisions (if any). All exchanges of Notes shall be made only at the offices of the Trustee in the City of Toronto, Ontario, or at such other office of the Trustee or at the office of such other registrar or registrars as may from time to time be designated by the Company for such purpose. Any Notes tendered for exchange shall be surrendered to the Trustee together with all unmatured coupons (if any) appertaining thereto and shall be cancelled.

Except as herein otherwise provided, in every case of exchange of Notes of any denomination or form for other Notes and for any registration of Notes as to principal and for any discharge from such regis-

tration and for any transfer of Notes (other than an exchange of interim Notes for definitive Notes or the initial registration of definitive Notes issued in exchange for bearer interim Notes or the first exchange into coupon Notes of Notes which, on original issue, were fully registered or the first exchange into registered Notes of smaller denomination of Notes which, on original issue, were fully registered) the Trustee or other registrar may make a sufficient charge to reimburse it for any stamp tax or governmental charge required to be paid, and in addition a charge of One Canadian dollar (\$1.00) per Note for its services and may charge a sum not exceeding One Canadian dollar (\$1.00) for every Note issued upon such exchange, registration or transfer, and payment of the said charges shall be made by the party requesting such registration, discharge from registration, exchange or transfer as a condition precedent thereto.

§ 2.13. *Option of Holder as to Place of Payment.* Except as otherwise herein provided all sums which may at any time become payable, whether at maturity or on a declaration or any redemption or otherwise, on account of any Note or coupon or any interest or premium thereon, shall be payable at the option of the holder at any of the places at which the principal and interest of such Note or coupon are payable.

§ 2.14. *Issuance of Notes of Subsequent Series.* At any time or from time to time hereafter and subject to the provisions of this § 2.14 and § 6.12, Notes of subsequent series (in addition to any issued pursuant to § 2.11 or § 2.12 or issued upon the partial redemption or conversion of such Notes, in accordance with Article IV or in accordance with the terms of any supplemental indenture which grants conversion privileges) may be executed by the Company and delivered to the Trustee and shall be certified by the Trustee and delivered to or upon the written order of the Company, upon receipt by the Trustee of a written application of the Company for such certification and delivery, together with the following:

- (a) a certified copy of a resolution or resolutions of the Directors authorizing the execution, certification and delivery of Notes, and specifying the series, maturity or (if Notes of such series are

of serial maturities) maturities and principal amount of such Notes to be certified and delivered;

(b) in case the Notes to be certified and delivered are of any series not theretofore created, an indenture supplemental hereto, accompanied by a certified copy of a resolution or resolutions of the Directors authorizing such supplemental indenture, designating the new series to be created and prescribing, consistent with the applicable provisions of this Article II, the terms and provisions relating to the Notes of such series;

(c) either (i) a certificate or other official document evidencing the due authorization, approval or consent of any governmental body or bodies, at the time having jurisdiction in the premises, together with an opinion of Counsel that the Trustee is reasonably entitled to rely thereon and that the authorization, approval or consent of no other governmental body is required, or (ii) an opinion of Counsel that no authorization, approval or consent of any governmental body is required;

(d) an opinion of Counsel that all instruments furnished the Trustee conform to the requirements of this indenture and constitute sufficient authority hereunder for the Trustee to certify and deliver the Notes then applied for; that all conditions precedent provided for in this indenture relating to the certification and delivery of the Notes applied for have been complied with and the Company is duly entitled to the certification and delivery of such Notes in accordance with the provisions of this indenture; that all laws and requirements in respect of the form and execution by the Company of the supplemental indenture, if any, and the execution and delivery the the Company of the Notes then applied for have been complied with; that the Company has corporate power to issue such Notes and has duly taken all necessary corporate action for that purpose; and that the Notes then applied for, when issued, will be valid, legal and binding obligations of the Company and entitled to the benefits of this indenture, and will be secured by the lien of this indenture, equally and ratably with all other Notes issued and outstanding hereunder; and that the amount of Notes then outstanding under



this indenture, including the additional Notes applied for, will not exceed the amount at the time permitted by law or by this indenture; and

(e) an Officer's Certificate stating in substance that the Company is not, and as a result of the issuance of the Notes applied for will not be, in default in the performance, observance or fulfillment of any of the covenants, agreements and obligations of this indenture on its part to be performed, observed or fulfilled and that all conditions precedent provided for in this indenture relating to the certification and delivery of the Notes applied for have been complied with, and setting forth in reasonable detail a computation showing compliance with § 6.12.

### ARTICLE III

#### MORTGAGE AND CHARGE

§ 3.01. *Specific Charge.* In consideration of the premises and of one dollar (\$1.00) to it in hand paid by the Trustee (receipt of which is hereby acknowledged) and to secure the due payment of all principal moneys, interest and premium, if any, and other moneys for the time being and from time to time owing on the security of this indenture and on the Notes and the performance of the obligations of the Company herein contained, and in pursuance of each and every power and authority it thereunto enabling,

(a) The Company doth hereby grant, convey, assign, transfer, mortgage, hypothecate, pledge and charge as and by way of a first fixed and specific mortgage, hypothec, pledge and charge to and in favour of the Trustee all the right, title and interest of the Company in and to all Receivables now or at any time hereafter due or owing to or owned by the Company or now or at any time hereafter assigned, transferred, hypothecated, pledged or charged to the Company by a Subsidiary,

(i) which are delivered to the Trustee (or to a depository therefor designated by the Trustee as provided in § 18.01(4) ) concurrently with the execution hereof, and are briefly described in a written instrument substantially



in the form of the Fourth Schedule hereto delivered to the Trustee concurrently with the execution hereof, and/or

(ii) which may at any time or from time to time hereafter be delivered to the Trustee (or to such a depositary therefor so designated) and briefly described in a written instrument delivered to the Trustee substantially in the form of the Fourth Schedule hereto or in such form as may be acceptable to the Trustee,

together with all contracts, securities, bills, notes and other documents now held or owned or which may be hereafter taken, held or owned by the Company or anyone on behalf of the Company in respect of the said Receivables or any part thereof, including without limitation of the generality of the foregoing, all mortgages, hypothecs, pledges and charges, all conditional sale agreements, hire-purchase agreements and other instruments of security relating to said Receivables so granted, conveyed, assigned, transferred, mortgaged, hypothecated, pledged or charged, and so delivered to the Trustee (or to a depositary therefor designated by the Trustee as provided in § 18.01(4) ), and any renewals thereof, any substitutions therefor, all proceeds thereof, all moneys payable thereunder, all rights and claims of the Company thereunder, in respect thereof or evidenced thereby, all the right, title and interest of the Company in and to the respective real property or chattels in respect of which such instruments or agreements were entered into or given and the benefit of all insurance and claims for insurance effected or held for the protection of the Company in respect of such real property or chattels, together with all books, accounts, ledgers, invoices and records evidencing, recording, or in any way relating to the said Receivables, contracts, securities, bills, notes and other documents.

(b) The Company doth hereby grant, convey, assign, transfer, mortgage, pledge, hypothecate and charge to and in favour of the Trustee as and by way of a first fixed and specific mortgage, pledge, hypothec and charge all cash (and any bonds or other evidences of indebtedness substituted therefor pursuant to

§ 8.03(2) ) which now are or which at any time hereafter may be deposited with and/or held by the Trustee in accordance with the provisions hereof.

(c) The Company doth hereby assign, transfer and set over to and in favour of the Trustee as and by way of a first fixed and specific mortgage, pledge, hypothec and charge all the right, title, interest and benefit of the Company in, to, under or in respect of all debts, accounts, claims, moneys and choses in action which now are or which may at any time hereafter be due or owing to the Company from Subsidiaries, together with all contracts, securities, bills, notes and other documents now held or owned or which may be hereafter taken, held or owned by the Company or any one on behalf of the Company in respect of said debts, accounts, claims, moneys and choses in action or any part thereof due or owing to the Company by a Subsidiary, including without limitation of the generality of the foregoing, all mortgages, hypothecs, pledges and charges, all conditional sale agreements, hire-purchase agreements and other instruments of security relating to said debts, accounts, claims, moneys and choses in action, any renewals thereof, any substitutions therefor, all proceeds thereof, all moneys payable thereunder, all rights and claims of the Company thereunder, in respect thereof or evidenced thereby and all the right, title, interest and benefit of the Company in and to all agreements between the Company and any Subsidiary relating to advances of moneys from the Company to such Subsidiary or to any guarantee of the Notes, or any of them. The Company covenants that none of the aforesaid debts, accounts, claims, moneys or choses in action due or owing to the Company from Subsidiaries are or will be evidenced by any negotiable instrument without the consent in writing of the Trustee, other than as permitted by § 6.12(9)(5).

(d) The Company doth hereby grant, convey, assign, transfer, mortgage, hypothecate, pledge and charge (subject to the exception as to any leaseholds contained in § 3.03) as and by way of a first fixed and specific mortgage, hypothec, pledge and charge to and in favour of the Trustee any property or assets

of whatsoever kind, nature or description which may hereafter at any time or from time to time be mortgaged, hypothecated, pledged or charged by the Company or be required to be mortgaged, hypothecated, pledged or charged by the Company as and by way of a first fixed and specific mortgage, hypothec, pledge or charge in favour of the Trustee under any of the provisions of this indenture.

§ 3.02. *Floating Charge.* And for the consideration aforesaid and for the purposes aforesaid and in pursuance of the powers aforesaid, the Company (subject to the exception as to any leaseholds contained in § 3.03) doth hereby assign, transfer and charge as and by way of a first floating charge to and in favour of the Trustee its undertaking and all its property and assets for the time being, both present and future, of whatsoever nature and kind and wheresoever situate (other than such property and assets as are effectively and validly subjected to the fixed and specific mortgage, hypothec, pledge or charge of this indenture and/or any indenture supplemental hereto), and without in any way limiting the generality of the foregoing, the undertaking, property and assets referred to above shall include (subject as aforesaid) all the Company's present and future fixed assets, goodwill, trade marks, inventions, processes, patents and patent rights, franchises, privileges, benefits, immunities, materials, supplies, inventories, furniture, implements, rents, revenues, incomes, moneys, contracts, agreements, leases, licenses, credits, book debts, accounts receivable, negotiable and non-negotiable instruments, judgments, securities, shares of other corporations (including those of Subsidiaries), choses in action and all other property and things of value of every kind and nature, tangible or intangible, legal or equitable, which the Company may be possessed of or entitled to or which may hereafter be acquired by the Company.

The floating charge hereby created shall in no way hinder or prevent the Company at any time and from time to time (until security hereby constituted shall have become enforceable and the Trustee shall have determined or become bound to enforce the same), subject as hereinafter provided and to the limitations and restrictions in § 6.12, from pledging, selling, mortgaging, alienating, leasing, assigning or otherwise charging, disposing of or dealing with the subject matters of



such floating charge in the ordinary course of its business and for the purpose of carrying on the same, but this proviso shall not be deemed to permit (except as permitted by § 6.12' pledging, mortgaging, assigning or giving security or securities (except the specific lien of this indenture) on the subject matters of such floating charge in priority to or *pari passu* with the floating charge hereby created as security for present or future debts or liabilities of the Company, whether such debts or liabilities do or do not constitute Senior Debt. And the Company covenants that, save as aforesaid and as permitted under the provisions of § 6.12, it will not create any mortgage, hypothec, charge, lien or encumbrance upon the mortgaged property or any part thereof ranking or purporting to rank in priority to or *pari passu* with the floating charge hereby created, including without in any way limiting the generality of the foregoing, any such creation in favour of any bank or banks under the Bank Act (Canada).

Nothing contained in this indenture shall prevent any Subsidiary of the Company from guaranteeing or otherwise becoming liable upon Notes issued under this indenture and creating a floating charge to secure such Notes upon its property and assets, provided that any such floating charge shall secure equally and proportionately all Notes issued under this indenture.

§ 3.03. *Reservation of Last Day of Leasehold Terms.* Anything in § 3.02 to the contrary notwithstanding, the last day of any term of years reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Company, is hereby and shall be excepted out of the mortgage, hypothec, pledge and charge hereby or by any other instrument created, and does not and shall not form part of the mortgaged property, but the Company shall stand possessed of the reversion remaining in the Company of any leasehold interest forming part of the mortgaged property upon trust to assign and dispose thereof as the purchaser of such leasehold interest shall direct.

#### HABENDUM

TO HAVE AND TO HOLD the mortgaged property and all rights hereby conferred unto the Trustee, its successors and assigns, forever, but in trust, nevertheless, for the uses and purposes and with the



powers and authorities and subject to the terms and conditions herein set forth.

§ 3.04 *Acceptance of Deeds of Subordination.* The Trustee is hereby expressly authorized to accept deeds of subordination or other instruments making Subordinated Debt or other indebtedness or liabilities subordinate and junior in right to Senior Debt.

§ 3.05. *Charge Valid Irrespective of Advance of Moneys.* The mortgages, hypothecs, pledges and charges hereby created shall have effect whether or not the moneys hereby secured or any part thereof shall be advanced before or after or at the time of the issue of any of the Notes intended to be hereby secured or before or after or upon the date of this indenture.

§ 3.06. *Supplemental Indentures.* From time to time the Company and the Trustee may, when authorized by a resolution of the Directors, and, subject to the provisions of this indenture, they shall, when so directed by this indenture, execute, acknowledge and deliver by their proper officers, indentures supplemental hereto, which thereafter shall form part hereof, for any one or more of the following purposes:

(a) mortgaging, hypothecating, pledging, assuring, confirming, ceding or transferring to the Trustee, or charging in favour of the Trustee, any property, real or personal, immovable or movable, now owned or hereafter acquired by the Company, and providing that the same shall become and be part of the mortgaged property;

(b) correcting or amplifying the description of any property hereby mortgaged, hypothecated, pledged or charged, or ceded and transferred, or intended so to be, or increasing the amount for which any such property is mortgaged, hypothecated, pledged or charged hereunder;

(c) adding to the limitations or restrictions herein specified further limitations or restrictions, thereafter to be observed either (i) upon the amount, dates of maturity, issue or the purposes of the issue of Notes hereunder; provided that the Trustee shall be of opinion that such further limitations or restrictions

shall not be prejudicial to the interests of the Note holders or (ii) upon the release of cash or property hereunder;

(d) adding to the covenants of the Company herein contained for the protection of the holders of the Notes and/or providing for events of default in addition to those herein specified;

(e) making such provisions not inconsistent with this indenture as may be necessary or desirable with respect to matters or questions arising hereunder, including the making of any modifications in the form of the Notes or coupons which do not affect the substance thereof and which, in the opinion of the Trustee, it may be expedient to make, provided that the Trustee shall be of opinion that such provisions and modifications will not be prejudicial to the interests of the Note holders;

(f) providing for the issue of Notes of any one or more series other than or in addition to the series initially authorized;

(g) evidencing the succession or successive successions of other corporations to the Company and the covenants of and obligations assumed by any such successor in accordance with the provisions of this indenture;

(h) adding to the provisions of this indenture such provisions as would at the time be required in an indenture then to be qualified under the Trust Indenture Act of 1939 of the United States or any act which may hereafter be substituted therefor, except that nothing herein contained shall permit or authorize the inclusion in any indenture supplemental hereto of the provisions referred to in Section 316 (a) (2) of said Trust Indenture Act of 1939 or any corresponding provision provided for in any similar statute hereafter in effect;

(i) if and to the extent authorized by the consent evidenced as provided in § 19.01, of the holders (or persons entitled to vote or give consents respecting the same) of at least 66 $\frac{2}{3}$ % in principal amount of the Notes of each series as a separate class then outstanding, making such other changes in or additions to or eliminations from this indenture as such holders and the Company may

deem necessary or advisable, provided that no such change, addition or elimination shall be made without the consent of the holders of all Notes outstanding which would reduce the principal of any premium on, or the rate of interest payable on, any Note, or postpone the date fixed in this indenture or in the Notes or coupons for the payment of the principal of, or any installment of interest on, any Note or change the character of the Notes or coupons as Senior Debt or alter or impair the security of the Notes or reduce the percentage of the principal amount of the Notes the consent of the holders of which shall be required for the authorization of any such change, addition or elimination or for any waiver referred to in § 6.17; and

(j) for any other purpose not inconsistent with the terms of this indenture.

The Trustee may also without the consent or concurrence of the Note holders by supplemental indenture or otherwise concur with the Company in making any changes or corrections in this indenture as to which it shall have been advised by Counsel that the same are verbal corrections or changes or are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or clerical omission or mistake or manifest error contained herein or in any deed or indenture supplemental or ancillary hereto.

§ 3.07. *Defeasance.* The Trustee shall, at the written request and at the expense of the Company, cancel and discharge the lien of this indenture and execute and deliver to the Company such deeds or other instruments as shall be requisite to discharge the lien hereof and to reconvey to the Company any property subject to the lien of this indenture and to release the Company from the covenants herein contained (other than the provisions relating to the indemnification of the Trustee) and upon delivery of such written request of the Trustee the estate and rights hereby granted shall cease, determine and be void, provided that the Company shall have first satisfied the Trustee that it has paid or made due provision satisfactory to the Trustee for the payment of all of the principal moneys, premium (if any) and interest due or to become due on all of the Notes outstanding hereunder at the times and in the manner therein and herein provided, and also



all other moneys payable hereunder by the Company, and provided further, that the principal of all of the Notes then outstanding has matured or will mature, either by effluxion of time and/or by call for redemption, within a period not exceeding twelve months from the time a discharge and reconveyance from the Trustee is requested by the Company.

## ARTICLE IV

### REDEMPTION AND PURCHASE OF NOTES

**Note: The provisions of Article IV are made applicable to the method of redemption of the Series J to Series Q Notes by the supplemental indentures respectively authorizing the issuance of such Notes.**

§ 4.01. *General.* The Company shall have the right at its option to redeem either in whole at any time or in part from time to time before maturity Notes issued hereunder of any series which by their terms are made so redeemable (subject, however, to any applicable restriction restricting the redemption of Notes of such series) at such rate or rates of premium (if any) and at such date or dates as shall have been determined at the time of the issue of such Notes and as shall be expressed in this indenture and/or in the Notes and/or in the resolution and/or supplemental indenture authorizing or providing for the issue thereof.

#### § 4.02. *Redemption of Notes.*

(1) *Series A Notes and Series B Notes.* Subject to the following provisions of this § 4.02(1), the Company at its option may redeem at any one time or from time to time U. S. \$100,000 or more in principal amount of the ~~Series A~~ Notes or Canadian \$25,000 or more in principal amount of Series B Notes, in each case at a redemption price which shall be the principal amount to be redeemed, with interest on such principal amounts accrued to the date fixed for redemption plus

(a) (except as provided in the following (b)), the premium (if any) on such principal amount of either Series A Notes or Series B Notes then applicable under the following schedule:



<u>If redeemed in the year ended December 31</u>	<u>Percentage</u>
1961.....	6.500
1962.....	6.067
1963.....	5.633
1964.....	5.200
1965.....	4.767
1966.....	4.333
1967.....	3.900
1968.....	3.467
1969.....	3.034
1970.....	2.600
1971.....	2.170
1972.....	1.734
1973.....	1.300
1974.....	0.867
1975.....	0.443

(b) a premium in each such year to one-half ( $\frac{1}{2}$ ) of the premium specified above, if the average aggregate amount (computed on a daily basis) of Finance Receivables held by or for the account of the Company and its Subsidiaries during the quarterly period next preceding the date of notice of redemption is less than fifty per cent. (50%) of the largest amount of such Finance Receivables held by or for the account of the Company and its Subsidiaries at the end of any calendar month during the period from January 1, 1961 to the end of such fiscal quarterly period,

*provided* that the Company may not make any redemption of the Series A Notes or Series B Notes prior to July 1, 1968 pursuant to this § 4.02(1) as a part of a refunding or anticipated refunding operation, by the application, directly or indirectly, of borrowed funds either (i) having an interest cost to the Company (computed in accordance with accepted financial practice) of less than  $6\frac{1}{2}\%$  per annum, or (ii) evidenced by obligations having a maturity date earlier than the maturity date of the Series A Notes or Series B Notes and *provided further*, that no redemption may be made pursuant to this § 4.02(1) of Series A Notes or Series B Notes unless a concurrent redemption of

each such Series is made in the proportion, to the nearest \$1,000, disregarding exchange rates for Canadian dollars and United States dollars, of \$4,000 of principal amount of Series A Notes redeemed to \$1,000 principal amount of Series B Notes redeemed. In case of any redemption at the premium provided in § 4.02(1) (b), the Company shall deliver to the Trustee an Officers' Certificate setting forth a computation showing compliance with the applicable provisions thereof and stating that such redemption is being made in compliance therewith.

**Section 5.02 of Fourth Supplemental Indenture—Redemption of Series J Notes:**

Subject to the following provisions of this Section 5.02, the Company at its option may redeem at any time and from time to time Series J Notes at a redemption price which shall be the principal amount to be redeemed with interest on such principal amount accrued to the date fixed for redemption plus

(a) (except as provided in the following (b) ), the premium, if any, on such principal amount of Series J Notes then applicable under the following Schedule

If redeemed in twelve month period ended June 14,

1963	6.000%
1964	5.539%
1965	5.077%
1966	4.616%
1967	4.154%
1968	3.693%
1969	3.231%
1970	2.770%
1971	2.308%
1972	1.847%
1973	1.385%
1974	0.924%
1975	0.462%

(b) the premium equal in each such year to one half

( $\frac{1}{2}$ ) of the premium specified above, if the average aggregate amount (computed on a daily basis) of Finance Receivables held by or for the account of the Company and its subsidiaries during the quarterly period next preceding the date of notice of redemption is less than 50% of the largest amount of such Finance Receivables held by or for the account of the Company and its subsidiaries at the end of any calendar month during the period from January 1, 1962 to the end of such fiscal quarterly period.

Provided that the Company may not make any redemption of the Series J Notes prior to June 15, 1972 pursuant to this Section 5.02 as a part of a refunding or anticipated refunding operation, by the application, directly or indirectly of borrowed funds to either (i) having an interest cost to the Company (computed in accordance with accepted financing practice) of less than 6% per annum, or (ii) evidenced by obligations having a maturity date earlier than the maturity date of the Series J Notes. In case of any redemption at the premium provided in this Section 5.02 (b) the Company shall deliver to the Trustee an Officers' Certificate setting forth a computation showing compliance with the applicable provisions thereof and stating that such redemption is made in compliance therewith.

**Section 5.02 of Fifth Supplemental Indenture—Redemption of Series K Notes:**

Subject to the following provisions of this Section 5.02, the Company at its option may redeem at any time and from time to time Series K Notes at a redemption price which shall be the principal amount to be redeemed with interest on such principal amount accrued to the date fixed for redemption plus

(a) (except as provided in the following (b) ), the premium, if any, on such principal amount of Series K Notes then applicable under the following Schedule

If redeemed in the twelve month period ended June 14,

1963	6.000%
1964	5.539%
1965	5.077%
1966	4.616%
1967	4.154%
1968	3.693%
1969	3.231%
1970	2.770%
1971	2.308%
1972	1.847%
1973	1.385%
1974	0.924%
1975	0.462%

(b) the premium equal in each such year to one half ( $\frac{1}{2}$ ) of the premium specified above, if the average aggregate amount (computed on a daily basis) of Finance Receivables held by or for the account of the Company and its subsidiaries during the quarterly period next preceding the date of notice of redemption is less than 50% of the largest amount of such Finance Receivables held by or for the account of the Company and its subsidiaries at the end of any calendar month during the period from January 1, 1962 to the end of such fiscal quarterly period.

Provided that the Company may not make any redemption of the Series K Notes prior to June 15, 1972 pursuant to this Section 5.02 as a part of a refunding or anticipated refunding operation, by the application, directly or indirectly, of borrowed funds either (i) having an interest cost to the Company (computed in accordance with accepted financing practice) of less than 6% per annum, or (ii) evidenced by obligations having a maturity date earlier than the maturity date of the Series K Notes. In case of any redemption at



the premium provided in this Section 5.02(b) the Company shall deliver to the Trustee an Officers' Certificate setting forth a computation showing compliance with the applicable provisions thereof and stating that such redemption is made in compliance therewith.

**Section 5.02 of Sixth Supplemental Indenture—Redemption of Series L Notes:**

Subject to the following provisions of this Section 5.02, the Company at its option may redeem at any time and from time to time Series L Notes at a redemption price which shall be the principal amount to be redeemed with interest on such principal amount accrued to the date fixed for redemption plus

(a) (except as provided in the following (b) ), the premium, if any, on such principal amount of Series L Notes then applicable under the following schedule:

If redeemed in twelve month period ended September 30,

1963	6.0%
1964	5.5%
1965	5.0%
1966	4.5%
1967	4.0%
1968	3.5%
1969	3.0%
1970	2.5%
1971	2.0%
1972	1.5%
1973	1.0%
1974	.5%

(b) the premium equal in each such year to one half ( $\frac{1}{2}$ ) of the premium specified above in this Section 5.02, if the average aggregate amount (computed on a daily basis) of Finance Receivables held by or for the account of the Company and its subsidiaries during the

quarterly period next preceding the date of notice of redemption is less than 50% of the largest amount of such Finance Receivable held by or for the account of the Company and its subsidiaries at the end of any calendar month during the period from January 1, 1962 to the end of such fiscal quarterly period.

Provided that the Company may not make any redemption of the Series L Notes prior to April 1, 1970 pursuant to this Section 5.02 as a part of a refunding or anticipated refunding operation, by the application, directly or indirectly of borrowed funds either (i) having an interest cost to the Company (computed in accordance with accepted financing practice) of less than 6% per annum, or (ii) evidenced by obligations having a maturity date earlier than the maturity date of the Series L Notes. In case of any redemption at the premium provided in this Section 5.02 (b) the Company shall deliver to the Trustee an Officers' Certificate setting forth a computation showing compliance with the applicable provisions thereof and stating that such redemption is made in compliance therewith.

**Section 5.03 of Sixth Supplemental Indenture—Redemption of Series M Notes:**

Subject to the following provisions of this Section 5.03, the Company at its option may redeem at any time and from time to time Series M Notes at a redemption price which shall be the principal amount to be redeemed with interest on such principal amount accrued to the date fixed for redemption plus

(a) (except as provided in the following (b) ), the premium, if any, on such principal amount of Series M Notes then applicable under the following schedule:

If redeemed in twelve month period ended September 30,

1963	6.000%
1964	5.647%
1965	5.294%
1966	4.941%
1967	4.588%
1968	4.235%
1969	3.882%
1970	3.529%
1971	3.176%
1972	2.823%
1973	2.470%
1974	2.117%
1975	1.764%
1976	1.411%
1977	1.058%
1978	.705%
1979	.352%

(b) the premium equal in each such year to one half ( $\frac{1}{2}$ ) of the premium specified above in this Section 5.03, if the average aggregate amount (computed on a daily basis) of Finance Receivables held by or for the account of the Company and its subsidiaries during the quarterly period next preceding the date of notice of redemption is less than 50% of the largest amount of such Finance Receivables held by or for the account of the Company and its subsidiaries at the end of any calendar month during the period from January 1, 1962 to the end of such fiscal quarterly period.

Provided that the Company may not make any redemption of the Series M Notes prior to April 1, 1970 pursuant to this Section 5.03 as a part of a refunding or anticipated refunding operation, by the application, directly or indirectly of borrowed funds either (i) having an interest cost to the Company (computed in accordance with accepted financing practice) of less than 6% per annum, or (ii) evidenced by obligations having a

maturity date earlier than the maturity date of the Series M Notes. In case of any redemption at the premium provided in this Section 5.03 (b) the Company shall deliver to the Trustee an Officers' Certificate setting forth a computation showing compliance with the applicable provisions thereof and stating that such redemption is made in compliance therewith.

**Section 5.02 of Seventh Supplemental Indenture—Redemption of Series N Notes:**

Subject to the following provisions of this Section 5.02, the Company at its option may redeem at any time and from time to time U. S. \$100,000 principal amount, or any multiple thereof, of Series N Notes at a redemption price which shall be the principal amount to be redeemed with interest on such principal amount accrued to the date fixed for redemption plus

(a) (except as provided in the following (b) ), the premium, if any, on such principal amount of Series N Notes then applicable under the following schedule:

If redeemed in twelve month period ended January 31,

1964	5.75%
1965	5.40%
1966	5.05%
1967	4.70%
1968	4.35%
1969	4.00%
1970	3.65%
1971	3.30%
1972	3.00%
1973	2.70%
1974	2.40%
1975	2.10%
1976	1.80%
1977	1.50%



1978	1.20%
1979	0.90%
1980	0.60%
1981	0.30%
1982	0.00%
1983	0.00%

(b) the premium equal in each such year to one half ( $\frac{1}{2}$ ) of the premium specified above in this Section 5.02, if the average aggregate amount (computed on a daily basis) of Finance Receivables held by or for the account of the Company and its subsidiaries during the quarterly period next preceeding the date of notice of redemption is less than 50% of the largest amount of such Finance Receivable held by or for the account of the Company and its subsidiaries at the end of any calendar month during the period from January 1, 1963 to the end of such fiscal quarterly period;

provided that the Company may not make any redemption of the Series N Notes prior to February 1, 1971 pursuant to this Section 5.02 as a part of a refunding or anticipated refunding operation, by the application, directly or indirectly, of borrowed funds either (i) having an interest cost to the Company (computed in accordance with accepted financing practice) of less than  $5\frac{3}{4}\%$  per annum, or (ii) evidenced by obligations having a maturity date earlier than the maturity date of the Series N Notes. In case of any redemption at the premium provided in (b) of this Section 5.02 the Company shall deliver to the Trustee an Officers' Certificate setting forth a computation showing compliance with the applicable provisions thereof and stating that such redemption is made in compliance therewith.

**Section 5.02 of Eighth Supplemental Indenture—Redemption of Series O Notes:**

Subject to the following provisions of this Section 5.02, the Company at its option may redeem at any time

and from time to time Can. \$100,000 principal amount, or any multiple thereof, of Series O Notes at a redemption price which shall be the principal amount to be redeemed with interest on such principal amount accrued to the date fixed for redemption plus

(a) (except as provided in the following (b) ), the premium, if any, on such principal amount of Series O Notes then applicable under the following schedule:

If redeemed in the twelve month period ended July 15,

1965	6.125%
1966	5.615%
1967	5.105%
1968	4.595%
1969	4.085%
1970	3.575%
1971	3.065%
1972	2.555%
1973	2.045%
1974	1.535%
1975	1.025%
1976	0.515%
1977	0.000%
1978	0.000%

(b) the premium equal in each such year to one half ( $\frac{1}{2}$ ) of the premium specified above in this Section 5.02, if the average aggregate amount (computed on a daily basis) of Finance Receivables held by or for the account of the Company and its subsidiaries during the quarterly period next preceding the date of notice of redemption is less than 50% of the largest amount of such Finance Receivables held by or for the account of the Company and its subsidiaries at the end of any calendar month during the period from July 1, 1964 to the end of such fiscal quarterly period;

provided that the Company may not make any re-

demption of the Series O Notes prior to July 15, 1974 pursuant to this Section 5.02 as a part of a refunding or anticipated refunding operation, by the application, directly or indirectly, of borrowed funds either (i) having an interest cost to the Company (computed in accordance with accepted financing practice) of less than 6 $\frac{1}{8}$ % per annum, or (ii) evidenced by obligations having a maturity date earlier than the maturity date of the Series O Notes. In case of any redemption at the premium provided in (b) of this Section 5.02 the Company shall deliver to the Trustee an Officers' Certificate setting forth a computation showing compliance with the applicable provisions thereof and stating that such redemption is made in compliance therewith.

**Section 5.02 of Ninth Supplemental Indenture—Redemption of Series P Notes:**

Subject to the following provisions of this Section 5.02, the Company at its option may redeem at any time and from time to time U. S. \$100,000 principal amount, or any multiple thereof, of Series P Notes at a redemption price which shall be the principal amount to be redeemed with interest on such principal amount accrued to the date fixed for redemption plus

(a) (except as provided in the following (b) ), the premium, if any, on such principal amount of Series P Notes then applicable under the following schedule:

If redeemed in the twelve month period ended August 31,

1965	6.00%
1966	5.45%
1967	4.90%
1968	4.35%
1969	3.80%
1970	3.25%
1971	2.70%
1972	2.15%

1973	1.60%
1974	1.05%
1975	0.50%
1976	0.00%

(b) the premium equal in each such year to one half ( $\frac{1}{2}$ ) of the premium specified above in this Section 5.02, if the average aggregate amount (computed on a daily basis) of Finance Receivables held by or for the account of the Company and its subsidiaries during the quarterly period next preceding the date of notice of redemption is less than 50% of the largest amount of such Finance Receivables held by or for the account of the Company and its subsidiaries at the end of any calendar month during the period from July 1, 1964 to the end of such fiscal quarterly period;

provided that the Company may not make any redemption of the Series P Notes pursuant to this Section 5.02 as a part of a refunding or anticipated refunding operation, by the application, directly or indirectly, of borrowed funds either (i) having an interest cost to the Company (computed in accordance with accepted financing practice) of less than 6% per annum, or (ii) evidenced by obligations having a maturity date earlier than the maturity date of the Series P Notes. In case of any redemption at the premium provided in (b) of this Section 5.02 the Company shall deliver to the Trustee an Officers' Certificate setting forth a computation showing compliance with the applicable provisions thereof and stating that such redemption is made in compliance therewith.

**Section 5.02 of Tenth Supplemental Indenture—Redemption of Series Q Notes:**

Subject to the following provisions of this Section 5.02, the Company at its option may redeem at any time and from time to time U.S. \$100,000 principal amount, or any multiple thereof, of Series Q Notes at a redemp-



tion price which shall be the principal amount to be redeemed with interest on such principal amount accrued to the date fixed for redemption plus

(a) (except as provided in the following (b) ), the premium, if any, on such principal amount of Series Q Notes then applicable under the following schedule:

If redeemed in twelve month period ending July 31,

1965	6.00%
1966	5.50%
1967	5.00%
1968	4.50%
1969	4.00%
1970	3.50%
1971	3.00%
1972	2.50%
1973	2.00%
1974	1.50%
1975	1.00%
1976	0.50%
1977	0.00%
1978	0.00%

(b) the premium equal in each such year to one half ( $\frac{1}{2}$ ) of the premium specified above in this Section 5.02, if the average aggregate amount (computed on a daily basis) of Finance Receivables held by or for the account of the Company and its subsidiaries during the quarterly period next preceding the date of notice of redemption is less than 50% of the largest amount of such Finance Receivable held by or for the account of the Company and its subsidiaries at the end of any calendar month during the period from July 1, 1964 to the end of such fiscal quarterly period;

provided that the Company may not make any redemption of the Series Q Notes prior to August 1, 1969 pursuant to this Section 5.02 as a part of a refunding or anticipated refunding operation, by the application,

directly or indirectly, of borrowed funds either (i) having an interest cost to the Company (computed in accordance with accepted financial practice) of less than 6% per annum, or (ii) evidenced by obligations having a maturity date earlier than the maturity date of the Series Q Notes. In case of any redemption at the premium provided in (b) of this Section 5.02 the Company shall deliver to the Trustee an Officers' Certificate setting forth a computation showing compliance with the applicable provisions thereof and stating that such redemption is made in compliance therewith.

§ 4.03. *Selection of Notes for Redemption.* If less than all of the outstanding Notes of any series are to be called for redemption, the aggregate principal amount of the Notes then to be redeemed shall be prorated by the Trustee between the holders of fully registered Notes and the holders of coupon Notes of such series so that the aggregate amount to be redeemed allotted to each group shall be in the proportion (to the nearest multiple of \$1,000) which the principal amount of Notes in each group bears to the aggregate principal amount of all Notes of such series then outstanding. The amount thus allocated to the redemption of fully registered Notes (or the whole amount if no coupon Notes are then outstanding) shall be prorated by the Trustee among the respective registered holders of said Notes in proportion as nearly as may be to the respective principal amounts of registered Notes without coupons registered in the name of each holder, provided that the principal amount of any Notes redeemed from each such holder shall be \$1,000 or a multiple thereof.

The amount determined as aforesaid to be allocable to the redemption of coupon Notes shall be applied by the Trustee to the redemption of such Notes by lot in any manner deemed by the Trustee to be proper and not inconsistent herewith. In the event of selection of Notes by lot, the numbers of the Notes may be drawn (i) individually or (ii) by one or more groups, the grouping for the purpose of such drawings to be by serial numbers which end in the same digit or in the same two digits, or by a combination of such methods.

If there shall have been designated for redemption as aforesaid

a portion but less than all of any outstanding fully registered Notes, then, upon presentation as herein provided of such fully registered Notes, there shall be paid to or upon the order of the registered holder of such fully registered Notes the principal amount of the portion of such fully registered Notes so designated for redemption, and unpaid accrued interest in respect thereof, together with the applicable premium, if any, and at the option of such holder, either

(a) such fully registered Notes may be surrendered by such holder for cancellation, in which event the Company shall execute, and the Trustee shall thereupon certify and deliver to or on the order of such holder, at the expense of the Company, one or more new fully registered Notes of the same series, of any authorized denomination or denominations, registered in the name of such holder, for the principal amount of such registered Notes without coupons remaining unpaid; or

(b) the Trustee shall make notation thereon of the payment of the portion of the principal of such Notes so called for redemption.

Payment of the redemption price of a portion of any fully registered Note may be made by the Company directly to the registered holder thereof without presentation or surrender thereof if there shall be filed with the Trustee a certificate of the Company to the effect that such registered holder and the Company have entered into a written agreement that payment shall be so made, that such registered holder will at the request of the Trustee promptly make notation of any such payment on such Note, of the portion so redeemed, and that if such registered holder shall sell, transfer or otherwise dispose of such Note, it will prior to delivery thereof present such Note to the Trustee for appropriate notation, if not previously made, of the extent to which any payment has been made on account of the principal of the Note, and provided further that such arrangements as to the payment of the redemption price of a portion of any registered Note without coupons without presentation or surrender thereof may be revoked or terminated by the Trustee at any time in respect of any registered holder in the event of the failure of such holder, to the knowledge of the Trustee, to observe and perform such agreement. The Trustee

shall be under no duty to inspect or confirm any such notation made by anyone other than the Trustee.

§ 4.04. *Notice of Redemption.* Notice of intention to redeem any of the Notes shall be given by the Company in the following manner:

(1). If all or any of the Notes at any time to be redeemed are registered Notes, notice of intention to redeem such Notes shall be given to each holder of such Notes by letter or circular sent through the mail, postage prepaid, addressed to him at his last address appearing upon one of the registers hereinbefore mentioned and mailed not less than thirty (30) days prior to the date specified for redemption; any such letter or circular may be sent by ordinary or registered mail, at the option of the Company. Provided always that the non-receipt of any such letter or circular by any such holder or holders shall not invalidate or otherwise prejudicially affect the redemption of such Notes.

(2). If all or any of the Notes at any time proposed to be redeemed are unregistered Notes, notice of intention to redeem such Notes shall be given by the Company by publication in at least one daily newspaper of general circulation published in the City of Toronto, Ontario, and in a daily newspaper or newspapers published in such other place or places (if any) as may be required by the Trustee, at least once in each of two (2) successive calendar weeks, the first publication to be at least thirty (30) days prior to the redemption date specified in such notice.

(3). Every notice of redemption given by publication as provided in clause (2) of this Section shall designate the series and maturity of the Notes so called for redemption, and unless all of the Notes or all of the Notes of a series or of a maturity so designated for the time being outstanding are to be redeemed, state the designating numbers of, or otherwise identify, the unregistered Notes so called for redemption and in case a Note is to be redeemed in part only that part of the principal amount thereof so to be redeemed, and every notice of redemption, whether given by letter or circular or by publication, shall specify the redemption date and the redemption price



and shall state that in case the Notes specified in such notice be not presented for redemption on such redemption date all interest thereon shall cease from and after said date.

Every notice sent by post or advertised as aforesaid shall be deemed to have been given on the day on which it is posted or first advertised, as the case may be.

§ 4.05. *Notes Due on Redemption Dates.* Notice having been given as aforesaid, all the Notes so called for redemption shall thereupon be and become due and payable at such redemption price on the redemption date specified in such notice in the same manner and with the same effect as if it were the date of maturity specified in such Notes respectively, except as hereinafter in this § 4.05 provided, and from and after such redemption date if the moneys necessary to redeem such Notes shall have been deposited as hereinafter provided and affidavits or other proof satisfactory to the Trustee as to the publication and/or mailing of such notices shall have been lodged with it, interest upon said Notes shall cease and coupons (if any) for interest to accrue after such date upon said Notes or any of them shall become and be void but the giving of such notice in conformity with the provisions hereof shall, if the Company fails to deposit such redemption moneys as aforesaid (whether such failure results from a change of the Company's intentions or from circumstances beyond its control or otherwise), produce no more effect as between the Company and any Note holder or the Trustee than if no such notice had been given. Nothing in this § 4.05, however, shall impair any covenant to redeem Notes in § 5.01 or elsewhere in this indenture.

In case any question shall arise as to whether any notice has been given as hereinbefore provided and such deposit made, such question shall be decided by the Trustee, whose decision shall be final and binding upon all parties in interest.

§ 4.06. *Deposit of Redemption Moneys.* Such redemption shall be provided for by depositing with the Trustee or any paying agent to the order of the Trustee, prior to the redemption date specified in such notice, such sums as may be sufficient to pay the redemption price of such Notes including accrued interest on the Notes so called for redemption to the date specified for redemption and premium (if

any). The Company shall also, if required by the Trustee, deposit with the Trustee a sum sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with such redemption. From the sums deposited the Trustee shall pay or cause to be paid to the holders of such Notes so called for redemption, upon surrender of such Notes with the unmatured coupons (if any) appertaining thereto, the principal, interest and premium (if any) to which they are respectively entitled on redemption. Provided that in the case of coupon Notes the accrued interest as represented by coupons matured prior to, or on, the redemption date shall continue to be payable (but without interest thereon, unless the Company shall made default in the payment thereof upon demand) to the respective bearers of the coupons therefor upon presentation and surrender thereof.

§ 4.07. *Failure to Surrender Notes Called for Redemption.* In case the holder of any such Note so called for redemption shall not within sixty (60) days after the date fixed for redemption so surrender his Note and such unmatured coupons (if any) or shall not within such time accept payment of the redemption moneys payable in respect thereof or give such receipt therefor (if any) as the Trustee may require, such redemption moneys shall be set aside in trust for such holder, at such rate of interest as the depositary may allow, either in the deposit department of the Trustee or in some chartered bank in Canada, and such setting aside shall for all purposes be deemed a payment to the Note holder of the sum so set aside, and to that extent said Note and coupons (if any) shall thereafter not be considered as outstanding hereunder and the Note holder shall have no other right except to receive payment out of the moneys so paid and deposited upon surrender and delivery up of his Note and coupons (if any) of the redemption price of such Note plus such interest thereon (if any) as the depositary may allow.

In the event that any moneys required to be deposited hereunder with the Trustee or any depositary or paying agent on account of principal, interest or premium on Notes issued hereunder shall remain so deposited for such period that the right to proceed for recovery of such moneys by the holders of Notes or coupons has become statute barred, then such moneys, together with any accumulated interest

thereon, shall at the end of such period be paid over by the Trustee or such depositary or paying agent to the Company on its demand.

§ 4.08. *Cancellation and Destruction of Notes and Coupons.* All Notes so redeemed under this Article, together with the coupons (if any) thereto appertaining, shall forthwith be delivered to the Trustee and shall be cancelled by it and no Notes shall be issued in substitution therefor.

All redeemed Notes and paid coupons of which the Company may be able to regain possession shall likewise be delivered to the Trustee and cancelled by it and no Notes shall be issued in substitution therefor. All Notes and coupons which shall have been delivered to and cancelled by the Trustee shall be destroyed by the Trustee and if required by the Company the Trustee shall furnish to it a destruction certificate setting forth the numbers and denominations of the Notes and coupons so destroyed.

§ 4.09. *Surrender of Notes for Cancellation.* If the principal moneys due upon any Notes issued hereunder shall become payable by redemption or otherwise before the date of maturity thereof, the person presenting such Note for payment must surrender the same for cancellation together with all unmatured coupons (if any) appertaining thereto, the Company nevertheless paying the interest for the fraction of the current half year (computed on a per diem basis) if the date fixed for payment be not an interest due date.

§ 4.10. *Voluntary Liquidation.* In the event of the voluntary liquidation of the Company before the maturity of the Notes of any series for the time being outstanding (except for the purpose of effecting a reconstruction of the Company or its consolidation, amalgamation or merger with another company in the manner provided in Article XI hereof) all of the Notes shall be redeemed and/or paid by the Company at the price at which the Company could redeem or pay the same (otherwise than by redemption out of sinking fund moneys) including accrued interest thereon and premium (if any) on the date on which the resolution was passed or order granted (whichever shall first occur) for the winding up of the Company.

§ 4.11. *Purchase of Notes.* At any time when the Company is not in default hereunder and would be entitled to redeem Notes under



the foregoing provisions of this Article, the Company may purchase Notes in the market or by private contract, provided that the prices at which such Notes may be purchased shall not exceed the redemption price (including accrued interest) at which such Notes could, at the time of purchase, be redeemed by the Company otherwise than out of sinking fund moneys, plus costs of purchase. All Notes so purchased shall forthwith be delivered to the Trustee and shall be cancelled by it and no Notes shall be issued in substitution therefor.

## ARTICLE V

### SINKING FUNDS FOR CERTAIN SERIES

#### § 5.01. *Sinking Funds.*

(1) *Series A Notes and Series B Notes.* The Company covenants and agrees that, as and for a sinking fund for the Series A Notes and Series B Notes, it will call for redemption on notice given as provided in § 4.04 and otherwise as provided in §§ 4.03, 4.05, 4.06, 4.07 and 4.08, and redeem, on January 1 of each year commencing January 1, 1964 and continuing to and including January 1, 1975, at the principal amount thereof together in each case with interest on such principal amount accrued and unpaid, but without premium, a principal amount of Series A Notes equal to U. S. \$308,000 and a principal amount of Series B Notes equal to Canadian \$77,000. No redemption under § 4.02(1) hereof shall relieve the Company from its obligation to make the required redemptions provided for in this § 5.01, unless all of the Series A Notes and Series B Notes are retired by such redemption under § 4.02(1) hereof.

#### **Section 6.01 of Fourth Supplemental Indenture—Sinking Fund For Series J Notes:**

The Company covenants and agrees that, as and for a sinking fund for the Series J Notes, it will call for redemption on notice given as provided in Section 5.04 of the Trust Deed and otherwise as provided in Sections 5.03, 5.05, 5.06, 5.07 and 5.08 of the Trust Deed and redeem on June 15 of each year commencing June 15,



1965 and continuing to and including June 15, 1974, at the principal amount thereof together in each case with interest on such principal amount accrued and unpaid, but without premium, a principal amount of Series J Notes equal to U. S. \$205,000. No redemption under Section 5.02 of this Fourth Supplemental Indenture shall relieve the Company from its obligation to make the required redemptions provided for in this Section 6.01 unless all of the Series J Notes are retired by such redemption under Section 5.02 of this Fourth Supplemental Indenture.

**Section 6.01 of Fifth Supplemental Indenture — Sinking Fund For Series K Notes:**

The Company covenants and agrees that, as and for a sinking fund for the Series K Notes, it will call for redemption on notice given as provided in Section 5.04 of the Trust Deed and otherwise as provided in Sections 5.03, 5.05, 5.06, 5.07 and 5.08 of the Trust Deed and redeem on June 15 of each year commencing June 15, 1965 and continuing to and including June 15, 1974, at the principal amount thereof together in each case with interest on such principal amount accrued and unpaid, but without premium, a principal amount of Series K Notes equal to U. S. \$137,000. No redemption under Section 5.02 of this Fifth Supplemental Indenture shall relieve the Company from its obligation to make the required redemptions provided for in this Section 6.01 unless all of the Series K Notes are retired by such redemption under Section 5.02 of this Fifth Supplemental Indenture.

**Section 6.01 of Sixth Supplemental Indenture — Sinking Fund For Series L Notes:**

The Company covenants and agrees that, as for a sinking fund for the Series L Notes, it will call for redemption on notice given as provided in Section 4.04 of the Trust Deed and otherwise as provided in Sections

4.03, 4.05, 4.06, 4.07 and 4.08 of the Trust Deed and redeem on October 1 of each year commencing October 1, 1965 and continuing to and including October 1, 1973, at the principal amount thereof together in each case with interest on such principal amount accrued and unpaid, but without premium, a principal amount of Series L Notes equal to U. S. \$250,000. No redemption under Section 5.02 of this Sixth Supplemental Indenture shall relieve the Company from its obligation to make the required redemptions provided for in this Section 6.01 unless all of the Series L Notes are retired by such redemption under Section 5.02 of this Sixth Supplemental Indenture.

**Section 6.02 of Sixth Supplemental Indenture — Sinking Fund For Series M Notes:**

The Company covenants and agrees that, as for a sinking fund for the Series M Notes, it will call for redemption on notice given as provided in Section 4.04 of the Trust Deed and otherwise as provided in Sections 4.03, 4.05, 4.06, 4.07 and 4.08 of the Trust Deed and redeem on October 1 of each year, commencing October 1, 1965 and continuing to and including October 1, 1978, at the principal amount thereof together in each case with interest on such principal amount accrued and unpaid, but without premium, a principal amount of Series M Notes equal to U. S. \$166,000. No redemption under Section 5.03 of this Sixth Supplemental Indenture shall relieve the Company from its obligation to make the required redemptions provided for in this Section 6.02 unless all of the Series M Notes are retired by such redemption under Section 5.03 of this Sixth Supplemental Indenture.

**Section 6.01 of Seventh Supplemental Indenture — Sinking Fund for Series N Notes:**

The Company covenants and agrees that, as for a sinking fund for the Series N Notes, it will call for re-

demption on notice given as provided in Section 4.04 of the Trust Deed and otherwise as provided in Sections 4.03, 4.05, 4.06, 4.07 and 4.08 of the Trust Deed and redeem on February 1 of each year commencing February 1, 1969 and continuing to and including February 1, 1982, at the principal amount thereof together in each case with interest on such principal amount accrued and unpaid, but without premium, a principal amount of Series N Notes equal to U. S. \$500,000. No redemption under Section 5.02 of this Seventh Supplemental Indenture shall relieve the Company from its obligation to make the required redemptions provided for in this Section 6.01 unless all the Series N Notes are retired by such redemption under Section 5.02 of this Seventh Supplemental Indenture.

**Section 6.01 of Eighth Supplemental Indenture—Sinking Fund For Series O Notes:**

The Company covenants and agrees that, as for a sinking fund for the Series O Notes, it will call for redemption on notice given as provided in Section 4.04 of the Trust Deed and otherwise as provided in Sections 4.03, 4.05, 4.06, 4.07 and 4.08 of the Trust Deed, and redeem on July 15 of each year commencing July 15, 1969 and continuing to and including July 15, 1978 at the principal amount thereof together in each case with interest on such principal amount accrued and unpaid, but without premium, a principal amount of Series O Notes equal to Can. \$150,000. No redemption under Section 5.02 of this Eighth Supplemental Indenture shall relieve the Company from its obligation to make the required redemptions provided for in this Section 6.01 unless all the Series O Notes are retired by such redemption under Section 5.02 of this Eighth Supplemental Indenture.

**Section 6.01 of Ninth Supplemental Indenture — Sinking Fund For Series P Notes:**

The Company covenants and agrees that, as and

for a sinking fund for the Series P Notes, it will call for redemption on notice given as provided in Section 4.04 of the Trust Deed and otherwise as provided in Sections 4.03, 4.05, 4.06, 4.07 and 4.08 of the Trust Deed and redeem on September 1 of each year commencing September 1, 1967 and continuing to and including September 1, 1976 at the principal amount thereof together in each case with interest on such principal amount accrued and unpaid, but without premium, a principal amount of Series P Notes equal to U. S. \$150,000. No redemption under Section 5.02 of this Ninth Supplemental Indenture shall relieve the Company from its obligation to make the required redemptions provided for in this Section 6.01 unless all the Series P Notes are retired by such redemption under Section 5.02 of this Ninth Supplemental Indenture.

**Section 6.01 of Tenth Supplemental Indenture—Sinking Fund For Series Q Notes:**

The Company covenants and agrees that, as for a sinking fund for the Series Q Notes, it will call for redemption on notice given as provided in Section 4.04 of the Trust Deed and otherwise as provided in Sections 4.03, 4.05, 4.06, 4.07 and 4.08 of the Trust Deed and redeem on August 1 of each year commencing August 1, 1969 and continuing to and including August 1, 1977, at the principal amount thereof together in each case with interest on such principal amount accrued and unpaid, but without premium, a principal amount of Series Q Notes equal to U. S. \$850,000. No redemption under Section 5.02 of this Tenth Supplemental Indenture shall relieve the Company from its obligation to make the required redemptions provided for in this Section 6.01 unless all the Series Q Notes are retired by such redemption under Section 5.02 of this Tenth Supplemental Indenture.



## ARTICLE VI

## CERTAIN COVENANTS

The Company hereby covenants and agrees with the Trustee for the benefit of the Trustee and the holders of the Notes as follows:

§ 6.01. *To Maintain and Operate.* That the Company will, subject to the provisions of this indenture, diligently maintain, use and operate, or will cause to be maintained, used and operated, the mortgaged property and the property of its Subsidiaries and will carry on and conduct its business and will cause to be carried on and conducted the businesses of its Subsidiaries in a proper and efficient manner so as to preserve and protect the mortgaged property and the property of its Subsidiaries and the earnings, incomes, rents, issues and profits thereof; provided, however, that nothing herein contained shall prevent the Company or any Subsidiary from ceasing to operate any plant or other property or the business of any Subsidiary if in the opinion of the Directors it shall be advisable in the best interests of the Company and/or the Subsidiary concerned to do so and not disadvantageous to the holders of the Notes.

§ 6.02. *To Pay Principal, Premium and Interest.* That the Company will well, duly and punctually pay or cause to be paid to every Note holder the principal of and interest accrued on the Notes of which he is the holder, and premium (if any) on the dates, at the places, in the moneys, and in the manner mentioned herein and in the Notes and in the coupons (if any) attached to the Notes.

§ 6.03. *To Pay Taxes.* That the Company will from time to time pay or cause to be paid all rents, taxes, rates, levies or assessments, ordinary or extraordinary, government fees or dues, lawfully levied, assessed or imposed upon the mortgaged property or any part thereof, or upon the income or profits of the Company or any Subsidiary, as and when the same become due and payable, and that it will exhibit or cause to be exhibited to the Trustee, when required, the receipts and vouchers establishing such payment, and will duly observe and conform to all valid requirements of any governmental authority relative to any of the property or rights at any time covered

hereby, and all covenants, terms and conditions upon or under which any property or rights covered hereby are held, save and except when and so long as the validity of any such rents, taxes, rates, levies, assessments, fees or dues, requirements, covenants, terms and conditions is in good faith contested by the Company, provided that in such case the Company shall satisfy the Trustee, and if required furnish security satisfactory to it, that any such contest will involve no forfeiture of any part of the mortgaged property.

§ 6.04. *To Effect Necessary Registrations.* The Company will promptly register this indenture and all indentures supplemental hereto in accordance with the provisions of The Corporation Securities Registration Act (Ontario), and if, by acquisition after the date hereof there shall be at any time situate in any other Province or Provinces of Canada any significant amount of tangible property of the Company, it will similarly register this indenture and all indentures supplemental hereto, in accordance with the corresponding or comparable laws of such other Province or Provinces; provided that unless the security constituted by this indenture shall have become enforceable and the Trustee shall have determined or become bound to enforce the same, no registration or recording of this indenture or any supplemental indenture in any land titles or registry office or similar office need be made by the Company against any of the lands or other fixed assets of the Company unless an event which, with the lapse of time or giving of notice, or both, would constitute an Event of Default, shall have occurred and shall be continuing and, in the opinion of Counsel, such registration or recording shall be necessary or advisable in order to protect the security created hereby or pursuant hereto or intended so to be, in which event the Company at the request of the Trustee shall forthwith register or record this indenture and any other necessary indentures or instruments, whether supplemental hereto or otherwise, under The Land Titles Act (Ontario) or The Registry Act (Ontario) and/or corresponding or comparable legislation of any other Province or Provinces of Canada where such registration or recording thereof may, in the opinion of Counsel, be necessary or advisable to protect the security created hereby or pursuant hereto or intended so to be, and shall deliver to the Trustee

certificates establishing such registration or recording. The Company will renew any such registrations or recordings from time to time as required by applicable law. The Company will furnish to the Trustee promptly after the execution and delivery of this indenture and each indenture supplemental hereto an opinion of Counsel either stating that in the opinion of Counsel this indenture and all indentures supplemental hereto have been properly registered, recorded and filed where such recording and filing may be of material advantage in preserving and protecting the security hereby and thereby created, and reciting the details of such action (unless such details have been set forth in a previous opinion of Counsel), or stating that in the opinion of Counsel no such action is necessary or of material advantage for such purpose. The Company will also furnish to the Trustee on January 1, 1962 and on each January 1 thereafter, an opinion of Counsel either stating that in the opinion of Counsel proper action has been taken with respect to the registration, recording and filing and re-registration, re-recording and re-filing of this indenture and all indentures supplemental hereto where such recording and filing may be of material advantage in preserving and protecting the security hereby and thereby created, and reciting the details of such action (unless such details have been set forth in a previous opinion of Counsel) or stating that in the opinion of Counsel no such action is necessary or of material advantage for such purpose.

§ 6.05. *To Maintain Security: to Perform Agreements with Subsidiaries; to Collect Finance Receivables; Title.* The Company covenants and agrees:

(1) That subject to the provisions of Article III the Company will fully and effectually maintain and keep the security hereby created as a valid and effective security at all times during the continuance of the Notes.

(2) That all inter-company agreements deposited by the Company with the Trustee between the Company and its Subsidiaries relating to loans from the Company and/or Wholly-owned Subsidiaries to Subsidiaries and the security therefor are valid and enforceable agreements, and that no default exists in respect of any thereof, and that the Company will duly and



punctually observe and perform all the terms, conditions and provisions of each of such inter-company agreements on its part to be observed or performed, and will diligently take all action necessary thereunder for and to enforce the due and punctual performance and observance by the other party or parties to each of the inter-company agreements of all the terms, conditions and provisions on its or their part to be observed or performed, and that the Company will not amend, terminate or cancel, and will take all action requisite on its part to prevent any amendment, termination or cancellation of, or the accrual of any right thereto under such inter-company agreements, and will not waive or release any obligation or liability of the other party or parties thereunder or consent or agree to any act or omission on the part of such other party or parties which without such consent or agreement would constitute a breach or default thereunder, except in each case with the consent of the Trustee.

(3) That, subject to § 8.01 hereof, the Company will use its best efforts to collect or to cause to be collected all moneys becoming due in respect of the specifically mortgaged property, such moneys so collected to be received and dealt with by the Company in accordance with the provisions of § 8.02.

(4) That the Company and its Subsidiaries together have and will have good title to the rights, interests, property and assets from time to time forming part of the mortgaged property free from all other assignments, liens, charges and encumbrances whatsoever and that the Company has full right and lawful authority to enter into this indenture and to create the security intended to be created hereby and that the Company will warrant and defend the title to the mortgaged property, and any and every part thereof, to the Trustee for the benefit of the holders for the time being of the Notes against the claims and demands of all persons whomsoever.

§ 6.06. *To Repair, Maintain Books of Account and Set Aside Reserves for Depreciation.* That the Company will at all times repair and keep in repair and good order and condition, or cause to be so repaired and kept in repair and good order and condition, all build-



ings, erections, machinery and plant used in or in connection with its business and the businesses of its Subsidiaries and which are necessary in connection with the normal operation of such business or businesses and at all reasonable times allow the Trustee or its representative access to the mortgaged property in order to view the state and condition the same are in; provided, however, that in respect of any plant or other property which, as permitted under the provisions of this deed, shall cease to be operated by the Company or any Subsidiary, the Company shall be under the obligation to repair and keep in good order and condition such plant or other property, or to cause the same to be kept in repair and in good order and condition, to the extent only that the Directors may consider advisable in the best interests of the Company or such Subsidiary.

The Company and each Subsidiary shall (1) maintain books of account in accordance with generally accepted accounting practice, (2) set aside on its books from its earnings in each year reserves for depreciation and obsolescence in accordance with generally accepted accounting practice, (3) for the purpose of any determination hereunder, reflect, in accordance with generally accepted accounting practice, adequate provision for credit losses and all other reserves, and accruals for all taxes, including income taxes, and (4) maintain books of account so as to disclose the information necessary for making the financial computations contemplated by § 6.12 hereof and for determining whether the provisions of § 6.12 have been complied with.

§ 6.07. *To Pay Trustee's Remuneration.* That the Company will pay the Trustee reasonable remuneration for its services as Trustee hereunder and will repay to the Trustee on demand all moneys which shall have been paid by the Trustee for premiums of insurance, repairs, renewals, taxes, legal expenses or charges, or any other expenditures whatever which the Trustee may reasonably make in and about the execution of the trust hereby created with interest at seven per cent. (7%) per annum from the date of expenditure until repayment, and such moneys and the interest thereon, including the Trustee's remuneration, shall, until paid by the Company, constitute a charge or lien upon the mortgaged property in priority to any of the Notes or coupons or interest and shall be payable out of any funds

coming into the possession of the Trustee. The said remuneration shall continue payable after the security shall become enforceable and until the trusts hereof be finally wound up and whether or not a receiver shall have been appointed or the trusts of this indenture shall be in due course of administration by or under the direction of the Court.

§ 6.08. *To Perform All Obligations Imposed by Law.* That the Company will do, observe and perform all of its obligations and all matters and things necessary or expedient to be done, observed or performed by virtue of any law or regulation of Canada, or any Province thereof or any municipality therein, or of any other jurisdiction wherein the Company owns property or assets, for the purpose of creating and maintaining the security hereby constituted or intended to be constituted and performing the trusts hereby created.

§ 6.09. *Not to Sell Notes When in Default.* That, if the Company should be in default in the fulfilment of any of its obligations hereunder at any time, it will not, while such default shall continue, sell, certify, deliver, issue, pledge or otherwise dispose of any of the Notes.

§ 6.10. *Renewals.* That if and whenever from time to time so long as any of the Notes shall be outstanding and unpaid the Company shall be entitled to obtain a renewal or renewals of any leases, licenses, concessions, franchises or agreements or to obtain any new lease or leases of any premises leased to the Company or to obtain any new licenses, concessions, franchises or agreements, it will from time to time duly exercise or cause to be exercised every such right of renewal, if the Directors shall deem the same to be of value to its operations, and will obtain or cause to be obtained such new leases, licenses, concessions, franchises or agreements for the longest time or times, if advantageous, and upon the most favourable terms obtainable, including all rights of further renewal; provided always that the inadvertent failure to obtain any such renewal or such new leases, licenses, concessions, franchises or agreements shall not constitute a breach of the foregoing covenant.

§ 6.11. *Furnishing of Financial Data and Certificates.* So long as any of the Series A Notes or Series B Notes or any Notes of additional series to which this § 6.11 is made applicable by the provisions

of a supplemental indenture remain outstanding, the Company will deliver to the Trustee in as many copies as the Trustee shall reasonably request:

**Note: The provisions of § 6.11 are made applicable to the Series H to Series Q Notes by the supplemental indentures respectively authorizing the issuance of such Notes.**

(a) As soon as practicable, and in any event within 60 days, after the close of each of the first three quarters of each fiscal year of the Company, (i) a balance sheet of the Company and a consolidated balance sheet of the Company and its Subsidiaries, as of the end of such quarter, setting forth in comparative form the corresponding figures certified as of one year prior thereto, and (ii) statements of income and surplus of the Company and consolidated statements of income and surplus of the Company and its Subsidiaries for the portion of such fiscal year preceding the end of such quarter, setting forth in comparative form the corresponding figures as certified for the corresponding period of the preceding fiscal year, all of the foregoing to be in reasonable detail and certified by a principal accounting officer of the Company;

(b) As soon as practicable, and in any event within 120 days, after the close of each fiscal year of the Company, (i) a balance sheet of the Company and a consolidated balance sheet of the Company and its Subsidiaries, as of the end of such fiscal year, and (ii) statements of income and surplus of the Company and consolidated statements of income and surplus of the Company and its Subsidiaries, for such fiscal year, setting forth in comparative form the corresponding figures as certified for the preceding fiscal year, all to be in reasonable detail and certified by independent public accountants;

(c) Promptly upon receipt thereof, a copy of each detailed report submitted to the Company by independent public accountants in connection with each annual audit of its books by such accountants or in connection with interim audits thereof pertaining to any phase of the Company's business which is of material significance to its financial condition;



(d) Copies of all such financial statements, reports and returns as it shall send to its stockholders;

(e) Such other financial data as the Trustee may reasonably request.

Together with each delivery of financial statements required by subdivisions (a) and (b) above, the Company will deliver to the Trustee its Officers' Certificate, signed on its behalf by a principal accounting officer, to the effect that to the best of the knowledge of the signer there exists no condition, event or act which constitutes an Event of Default or which, with notice or lapse of time, or both, would constitute an Event of Default, or, if any such condition, event or act exists, specifying the nature thereof, the period of existence thereof and what action the Company proposes to take with respect thereto. Each certificate of independent public accountants delivered with the financial statements required by subdivision (b) above shall include a written statement of such accountants that, in the course of making the examination in connection with the giving of such certificate, they have obtained no knowledge of the existence during the fiscal period under audit of any condition, event or act which constitutes an Event of Default or which, with notice or lapse of time, or both, would constitute an Event of Default or, if in the opinion of such accountants there shall exist any such condition, event or act, such statement shall specify the nature thereof.

The Trustee shall deliver copies of any financial statements or other documents delivered to it pursuant to this § 6.11 to any holder of Notes upon request, but not to any other person without the consent of the Company.

Any holder of Notes is hereby authorized to deliver to any regulatory body having jurisdiction over it a copy of any financial statement or report delivered to the Trustee under this § 6.11.

§ 6.12. *Special Covenants* That so long as any of the Series A Notes or Series B Notes, Short Term Notes, or Notes of additional series to which this § 6.12 is made applicable by the provisions of a supplemental indenture, remain outstanding, the Company will observe and perform the covenants of the following § 6.12(1) to § 6.12(9)



inclusive, subject, in each case, to the provisions of Article XVII with respect to consents and waivers:

**Note: The provisions of § 6.12 are made applicable to the Series C to Series Q Notes and to the Medium Term Notes by the supplemental indentures respectively authorizing the issuance of such Notes.**

*Maintenance of Security:*

(1) (A) The aggregate amount of

(a) the principal amount of indebtedness owing to the Company and/or any Subsidiary upon Finance Receivables (not more than 20% in principal amount of which Finance Receivables shall consist of Receivables each having an original principal amount of more than U. S. or Canadian \$15,000 and not more than 50% in principal amount of which Finance Receivables shall consist of Receivables arising from areas of the Finance Business other than the financing of automobiles, consumer appliances, soft goods, accounts receivable or inventories or the making of personal loans) at the time constituting part of the specifically mortgaged property (after deducting therefrom an amount equal to (i) the amount of Delinquent Accounts included therein and (ii) any Repledge Deficiency [as hereinafter in this § 6.12(1) defined] applicable thereto) plus

(b) one hundred fifteen per cent. (115%) of (i) the amount of any cash plus (ii) the market value of any bonds or other evidences of indebtedness permitted to be substituted therefor by § 8.03(2), which cash, bonds or evidences of indebtedness are at such time physically held by and pledged with the Trustee (or a depositary therefor designated by the Trustee as provided in § 18.01(4) ) as part of the specifically mortgaged property,

will not at any time be less than one hundred fifteen per cent. (115%) of the aggregate principal amount of all Senior Debt at the time outstanding.

(B) The Company will deliver to the Trustee not less than thirty (30) days after the end of each calendar month beginning February, 1961, a certificate of the Company substantially in the form set out

in the Third Schedule hereto showing compliance with the covenants of subsection A of this § 6.12(1) as at the end of each such calendar month. If at any time to the knowledge of the Company a default shall exist in respect of subsection A of this § 6.12(1), the Company will forthwith deliver to the Trustee a certificate of the Company substantially in the form set out in the Third Schedule hereto showing the Company's best estimates of the data required to be shown therein as at the most recent date as of which an estimate can be made.

The Company will also deliver to the Trustee each calendar month beginning February, 1961, an instrument in writing executed by each of the Company's bankers holding current indebtedness secured by the pledging, hypothecating or charging of any Notes stating (if the face amount of such Notes exceeds the amount of current indebtedness secured by the pledging, hypothecating or charging thereof) that all Notes so pledged, hypothecated or charged bear the legend required by § 2.10, and showing as at the end of such calendar month the amount of such current indebtedness owed to such banker and the amount of Notes pledged, hypothecated or charged to secure such current indebtedness, and if no such instrument in writing shall be delivered as at the end of any calendar month in respect of any such banker, the Trustee shall assume that the amount of Senior Debt evidenced by Notes outstanding in the hands of such banker at such date is the face amount thereof.

(C) The Trustee shall be entitled to rely upon such certificates and instruments in writing and shall be entitled to treat the same as conclusive proof of the facts stated therein, and shall not be responsible for any errors occurring therein and shall be under no duty to verify the correctness of the same except to verify that the aggregate face amount of Finance Receivables lodged with the Trustee as of the date shown thereon is not less than the aggregate amount of indebtedness owing upon Finance Receivables shown in paragraph (1) of such certificate of the Company. As to the verification of the face amount of Finance Receivables, the Trustee shall be entitled to rely upon a certificate of any depository designated by the Trustee to receive such Finance Receivables in compliance with § 18.01(4). Nevertheless, the Trustee may, in its discretion, require the Company to

furnish and the Company shall furnish such further reasonable information and shall make available to the Trustee such records as the Trustee may require for the purpose of verifying the correctness of such certificates.

(D) The Company covenants that the method of specifically mortgaging, hypothecating, pledging and charging Finance Receivables and all contracts, securities and other documents related thereto acquired by Subsidiaries will be such method as will, in the opinion of Counsel, duly and validly subject the same to the first specific lien and charge of this indenture to the same extent as if such Finance Receivables and other documents as aforesaid were the property of the Company delivered and pledged hereunder, except that, in the case of a pledge by the Company of Finance Receivables upon the basis of the pledge thereof to the Company by a Subsidiary, it is recognized that the amount of recovery by the Trustee thereon may be limited to the amount of the indebtedness of the Subsidiary in question secured by such pledge, provision being made in this § 6.12(1) for deduction in respect of any such Repledge Deficiency. It is expressly agreed (without limiting the generality of the foregoing covenant) that in the case of any such Finance Receivables where the right of the Company to pledge the same to the Trustee is based upon the pledge thereof to the Company by a Subsidiary, such repledge will be expressly authorized in writing. Nothing in this paragraph or elsewhere in this indenture shall be construed to impair the rights of the Trustee under any circumstances under which the lawful amount of recovery by the Trustee on Finance Receivables of a Subsidiary pledged hereunder is not limited to the amount of indebtedness of such Subsidiary to the Company.

Any such opinion of Counsel delivered pursuant to this § 6.12(1) may relate to a general method of procedure and need not refer to specific items pledged.

If, in the case of any pledge by the Company of any Finance Receivables upon the basis of the pledge thereof to the Company by a Subsidiary, the pledge to the Company secures indebtedness of such Subsidiary in an amount less than the outstanding indebtedness on the Finance Receivables so pledged, the amount by which such outstand-



ing indebtedness exceeds the amount of indebtedness of such Subsidiary to the Company secured thereby (such excess being herein called a "*Repledge Deficiency*") shall be deducted in determining compliance with the covenants of the first paragraph of this § 6.12(1), all as provided in such paragraph.

For the purpose of computations under this § 6.12(1), Notes payable in United States dollars shall be converted into Canadian currency at the current rate of exchange.

(E) The Company covenants that it shall forthwith and from time to time execute and do all such assurances and things as in the opinion of Counsel are necessary or advisable for validly giving to the Trustee (in so far as may be possible under the local laws of the places where the mortgaged property is situate) the fixed and floating charge and security hereby intended to be created, and all such assurances shall be in such form as Counsel may advise, and in particular but without limiting the generality of the foregoing all such assurances and things for validly giving to the Trustee a fixed charge or security upon Finance Receivables physically delivered to the Trustee as aforesaid and upon all contracts, securities, bills, notes and other documents related thereto; *provided* that unless and until otherwise directed by the Trustee and subject to the provisions of § 8.01 hereof the Company shall be entitled physically to hold as agent of, and in trust for, the Trustee all such last mentioned contracts, securities, bills, notes and other documents, and the Trustee hereby appoints the Company as agent for such purpose.

**The following additional covenants contained in the Fourth Supplemental Indenture are applicable so long as any of the Series J to Series Q Notes are outstanding:**

Finance Receivables included in any computation pursuant to this subsection A or included in the amount stated in paragraph (1) of any certificate of the Company delivered pursuant to subsection B of this Section 6.12 (1) (hereinafter in this subsection A called "*Pledged Finance Receivables*") shall not at any time, include Receivables in respect of any single obligor (other than a Subsidiary) in an aggregate principal amount exceed-



ing (i) U.S. or Canadian \$500,000 or (ii) 20% of Consolidated Net Worth at such time, whichever is smaller; provided that Finance Receivables upon which an obligor is only contingently liable shall not be deemed to be Finance Receivables in respect of such obligor for purposes of this sentence.

The aggregate principal amount of Pledged Finance Receivables having in each case an original principal amount of more than U.S. or Canadian \$15,000 shall not at any time exceed (i) 20% of the aggregate principal amount of all Pledged Finance Receivables at such time or (ii) 250% of Consolidated Net Worth at such time, whichever is smaller.

The aggregate principal amount of Pledged Finance Receivables arising from areas of the Finance Business other than the financing of automobiles, consumer appliances or soft goods, or the making of personal loans, shall not at any time exceed (i) 50% of the aggregate principal amount of all Pledged Finance Receivables at such time or (ii) 625% of Consolidated Net Worth at such time, whichever is smaller.

The aggregate principal amount of Pledged Finance Receivables arising from areas of the Finance Business in respect of the financing of automobiles, consumer appliances or soft goods, or the making of personal loans, shall not at any time include Receivables having at such time a maximum term (including any periods for which renewable or extendable) of more than 49 months.

The aggregate principal amount of Pledged Finance Receivables arising from areas of the Finance Business in respect of house trailers, shell homes, ready built homes, and steel buildings,

(1) shall not at any time include any Receivables having at such time a maximum term (including any periods for which renewable or extendable) of more than 91 months, and

(2) shall not at any time exceed (i) 20% of the aggregate principal amount of all Pledged Finance Receivables at such time or (ii) 250% of Consolidated Net Worth at such time, whichever is smaller.

The aggregate principal amount of Pledged Finance Receivables arising from leases of automobiles, trucks or automotive or other equipment,

(1) shall not at any time include any Receivables having at such time a maximum term (including any periods for which renewable or extendable) of more than 37 months or, in the case of Receivables arising from leases of trucks or heavy automotive equipment, 61 months, or in the case of Receivables arising from leases of other equipment, 73 months, and

(2) shall not at any time exceed (i) 20% of the aggregate principal amount of all Pledged Finance Receivables at such time or (ii) 250% of Consolidated Net Worth at such time, whichever is smaller.

The aggregate principal amount of Pledged Finance Receivables arising from construction loans,

(1) shall not any time include any Receivables having at such time a maximum term (including any periods for which renewable or extendable) of more than 37 months, and

(2) shall not at any time exceed (i) 12½% of the aggregate principal amount of all Pledged Finance Receivables at such time or (ii) 150% of Consolidated Net Worth at such time, whichever is smaller.

The aggregate principal amount of Pledged Finance Receivables arising from factoring of trade receivables and inventories (other than consumer receivables),

(1) shall not at any time include any Receivables having at such time a maximum term (including any periods for which renewable or extendable) of more than 13 months, and

(2) shall not at any time exceed (i) 25% of the aggregate principal amount of all Pledged Finance Receivables at such time or (ii) 300% of Consolidated Net Worth at such time, whichever is smaller.

The aggregate principal amount of Pledged Finance Receivables arising from financing capital requirements of dealers engaged primarily in selling automobiles, consumer appliances and other durable personal properties shall not at any time exceed (i) 3% of the aggregate principal amount of all Pledged Finance Receivables at such time or (ii)  $33\frac{1}{3}\%$  of Consolidated Net Worth at such time, whichever is smaller.

*Indebtedness:*

(2) The Company will not directly or indirectly create, incur, assume or otherwise become liable for any Senior Debt, and will not permit any Subsidiary directly or indirectly to create, incur, assume or otherwise become liable for any Debt or issue any shares of Preferred Stock (other than to the Company and/or other Subsidiaries), if, after giving effect thereto and to the receipt and application, substantially contemporaneously therewith, of any consideration received therefor (including, but without limitation, the retirement of any Debt or Preferred Stock), the aggregate principal amount of Consolidated Debt at the time of such transaction plus the par value (or the involuntary liquidation value in case the same is greater than the par value or in the case of stock without par value) of then outstanding Preferred Stock issued by all Subsidiaries and not owned by the Company and/or other Subsidiaries would exceed 350% of the sum of (i) Consolidated Net Worth, less the book value of the fixed assets of the Company and its Subsidiaries, at the time of such transaction, and (ii) the aggregate principal amount of Subordinated Debt at the time outstanding.

The Company will not directly or indirectly create, incur, assume or otherwise become liable for any Subordinated Debt unless, after giving effect thereto and to the receipt and application, substantially contemporaneously therewith, of any consideration received therefor (including, but without limitation, the retirement of any Subordinated

Debt), the aggregate principal amount of outstanding Subordinated Debt does not exceed 250% of Consolidated Net Worth at the time of such transaction.

The Company will have outstanding at all times Senior Debt in the amount of Canadian \$1,250,000 representing borrowings from Canadian chartered banks payable on demand or maturing less than one year from the date of the creation thereof and not renewable at the option of the Company to a date more than one year after the date of creation thereof.

The Company will not, except as provided in § 3.02, permit any Subsidiary directly or indirectly to create, incur, assume or otherwise become liable for any Debt except for Debt owed to the Company and except for unsecured current borrowings from Canadian chartered commercial banks in the ordinary course of business, which borrowings the Company will not guarantee, endorse, contingently agree to purchase or otherwise become liable upon.

All borrowings by the Company or any Subsidiary from Canadian chartered banks will be secured only by the sale of Short Term Notes to such banks or by the pledging, hypothecating or charging of Notes and will be evidenced by such Short Term Notes or by non-transferable promissory notes payable to such banks.

**The following additional covenants contained in the Fourth Supplemental Indenture are applicable so long as any of the Series J to Series Q Notes are outstanding.**

Unless, pursuant to regulations or directions or other requirements of the Bank of Canada, a department of government or any governmental agency or pursuant to any change in general practice of Canadian chartered banks, Canadian chartered banks limit or restrict or are required to limit or restrict loans to companies engaged in businesses similar to the business of the Company and in consequence thereof the loans to the Company by such banks are limited or restricted to any lesser sum or sums,

(1) the Company will at all times have outstanding, at least U.S. or Canadian \$1,250,000 aggregate



principal amount of Senior Debt represented by borrowings (which may include borrowings evidenced by Short Term Notes), payable on demand or maturing less than one year after the date of creation thereof (and not renewable at the option of the Company to a date one year or more after the date of creation thereof), from Canadian chartered banks, banks which are members of the Federal Reserve System of the U.S. or banks which are, or are subsidiaries of companies which are, duly constituted banks in good standing under the banking laws of the jurisdiction in which is located their principal place of business, and

(2) the Company will at all times have outstanding, in an aggregate principal amount at least equal to 25% of the aggregate principal amount of Senior Debt at the time outstanding, Senior Debt represented (i) by commercial paper, or (ii) by borrowings (which may include borrowings evidenced by Short Term Notes), payable on demand or maturing less than one year after the date of creation thereof (and not renewable at the option of the Company to a date one year or more after the date of creation thereof), from Canadian chartered banks, banks which are members of the Federal Reserve System of the U.S. or banks which are, or are subsidiaries of companies which are, duly constituted banks in good standing under the banking laws of the jurisdiction in which is located their principal place of business.

Consolidated Net Worth shall at all times be not less than \$2,500,000.

The Company will not incur, assume or otherwise become liable in respect of, nor suffer to exist, any Debt except (i) Notes, (ii) Senior Debt for money borrowed from banks, (iii) Subordinated Debt, (iv) any guarantee permitted pursuant to this Indenture and (v) indebtedness outstanding at May 31, 1962.

The Company will not, nor will it permit any Subsidiary to, purchase, redeem or otherwise retire other than at maturity or by mandatory prepayment as required by the terms thereof all or part of any Subordinated Debt of the Company outstanding on May 31, 1962, otherwise than (i) by conversion in accordance with its terms or (ii) by applying all or part thereof at the principal amount thereof in paying up any shares of any class of its capital stock.\*

The Company will not assent to any modification of any Subordinated Debt, or of any indenture, trust indenture, trust deed or other instrument providing for the issuance thereof, which modification would or might adversely affect any subordination thereof to the Series J Notes.

The aggregate principal amount of all Notes (other than Short Term Notes) outstanding shall not at any time exceed  $66\frac{2}{3}\%$  of the maximum amount of Senior Debt permitted at such time pursuant to the provisions of subsection A of Section 6.12(1).

**The following additional covenant contained in the Sixth Supplemental Indenture is applicable so long as any of the Series L to Series Q Notes are outstanding:**

The Company will not directly or indirectly create, incur, assume or otherwise become liable for any Subordinated Debt unless, after giving effect thereto and

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\*The words "other than at maturity or by mandatory prepayment as required by the terms thereof" were added to this paragraph by amendment contained in Section 7.01 of the Seventh Supplemental Indenture.

to the receipt and application, substantially contemporaneously therewith, of any consideration received therefor (including, but without limitation, the retirement of any Subordinated Debt), the aggregate principal amount of outstanding Subordinated Debt does not exceed 150% of Consolidated Net Worth at the time of such transaction.

*Liens, Charges:*

(3) Neither the Company nor any Subsidiary will create or permit to exist, directly or indirectly, any mortgage, hypothec, pledge, interest, lien, charge or encumbrance (in this § 6.12(3) collectively called "*Liens*") in or upon any of its property, except:

(A) The Lien of this indenture;

(B) The Lien of any trust deed, bond, debenture or other instrument creating a floating charge by way of a second or more junior floating charge (and a specific charge if the Company shall so determine, by way of a second or more junior specific charge, on any property subject to the first specific charge of this indenture) securing Subordinated Debt and the Lien created by Commodore Sales Acceptance Limited under a Trust Indenture dated as of August 5, 1960 between Commodore Sales Acceptance Limited and The Canada Trust Company securing an issue of \$1,000,000 6% Convertible Debentures of Commodore Sales Acceptance Limited presently outstanding;

(C) Liens of current taxes and assessments payable without interest or penalty;

(D) Liens to secure unpaid indebtedness and liabilities permitted by § 6.03, pending contests permitted thereby;

(E) Liens upon properties and assets of Subsidiaries to secure unpaid indebtedness and liabilities of Subsidiaries to the Company;

(F) Liens upon properties and assets acquired in bona fide settlement of debts owed to the Company or a Subsidiary existing thereon at the date of such acquisition;

(G) Other liens, charges, encumbrances and priority claims incidental to the conduct of its business or the ownership of its properties and assets which (i) were not incurred in connection with the borrowing of money or the obtaining of advances or credit and (ii) do not secure Debt, which, with all other secured indebtedness incurred under this clause exceed in the aggregate fifty thousand Canadian dollars (Canadian \$50,000);

(H) Liens upon Short Term Notes pursuant to § 2.10; and

(I) The Lien of a floating charge created by a Subsidiary pursuant to § 3.02.

*Dividends; Stock Purchases, etc.:*

(4) The Company will not directly or indirectly (a) declare or pay any dividend (except dividends payable solely in its own capital stock) on or declare or make any other distribution on account of any shares of any class of its capital stock now or hereafter outstanding, or (b) redeem, retire, purchase or otherwise acquire (except for a consideration consisting solely of shares of capital stock of the Company now or hereafter outstanding) any shares of any class of its capital stock now or hereafter outstanding, or permit any Subsidiary to do so, unless, after giving effect to the proposed action, the sum of (i) the aggregate amount of all dividends (other than dividends payable solely in the Company's own capital stock) and distributions directly or indirectly declared, paid or made during the period from December 17, 1959 to and including the date of the proposed action, plus (ii) the excess, if any, of (aa) the aggregate amount of all sums and property (taken at the book value or market value thereof, whichever is greater) directly or indirectly applied, during such period, to all redemptions retirements, purchases or other acquisitions by the Company or any of its Subsidiaries of any shares of capital stock of the Company, over (bb) the proceeds of all sales by the Company during such period of shares of any class of its capital stock or of any obligations (other than the 5½% Convertible Debentures due July 2, 1975, which were outstanding on December 17, 1959) which shall have been converted into shares of any such class, would not exceed Consolidated Net Earnings accrued during the period from January 1, 1960 to and including the date of the proposed action. If the Company shall sell any shares or



any obligations which are converted into shares for a consideration other than cash, the proceeds of such sale shall be the fair value of such consideration as determined by the Board of Directors of the Company.

**The following additional covenant contained in the Fourth Supplemental Indenture is applicable so long as any of the Series J to Series Q Notes are outstanding:**

The Company will not permit any Subsidiary to purchase any share of any class of the capital stock of the Company.

*Sales, Mergers, etc.:*

(5) The Company will not, and will not permit any Subsidiary to, sell, transfer or otherwise dispose of all or substantially all of its assets to, or consolidate with, merge into or amalgamate with any other person, or permit any other person to merge into the Company or any Subsidiary without the passage of an extraordinary resolution consenting thereto passed at a serial meeting (at which serial meeting each series of Notes then outstanding shall be deemed to be especially affected) and unless the due and punctual payment of the principal of and premium, if any, and interest on all the notes according to their tenor, and the due and punctual performance and observance of all the terms, covenants and conditions hereof to be kept and performed by the Company shall be assumed by the corporation (other than the Company) formed by or resulting from such consolidation, merger or amalgamation or which shall have received the transfer of all or substantially all of the assets of the Company and immediately after giving effect to such assumption there shall not exist any event which constitutes, or with notice or lapse of time or both would constitute, an Event of Default; *provided* that the foregoing shall not prohibit (a) a Subsidiary from making any such disposition to the Company or another Subsidiary or from consolidating with or merging into or amalgamating with one or more other Subsidiaries or (if the Company is the surviving corporation) the Company, or (b) a Subsidiary from selling or otherwise disposing of all or substantially all of its assets subject to the conditions specified in § 6.12(7) hereof with reference to a sale of the Debt and stock of such Subsidiary.

*Lease-Backs, etc.:*

(6) The Company will not, and will not permit any Subsidiary to, enter into any arrangement with any bank, insurance company or other lender or investor providing for the leasing by the Company or any Subsidiary of real or personal property (i) which has been or is to be sold or transferred by the Company or any Subsidiary to such lender or investor, or (ii) which has been or is to be acquired from another person by such lender or investor, or on which one or more buildings have been or are to be constructed by such lender or investor, for the purpose of leasing such property to the Company or any Subsidiary.

*Sale of Debt or Stock of Subsidiaries, etc.:*

(7) The Company will not and will not permit any Subsidiary to sell, transfer or otherwise dispose of (except to the Company or another Subsidiary) any Debt or any shares of stock of any Subsidiary in the case of the Company or any other Subsidiary in the case of a Subsidiary, *provided* that all Debt and all shares of stock of any Subsidiary at the time owned by the Company and owned by any other Subsidiary may be sold or otherwise disposed of as an entirety for a consideration which represents the fair value (as determined by the Board of Directors of the Company) of the Debt and shares of stock so sold or otherwise disposed of, if at the time of such sale or other disposition such Subsidiary does not own directly or indirectly any Debt of the Company or any Debt or any shares of stock of any other Subsidiary (unless all Debt and shares of stock of such other Subsidiary owned, directly or indirectly, by the Company and all Subsidiaries are simultaneously being disposed of as permitted by this § 6.12(7)).

The Company will not permit any Subsidiary to issue or sell any shares of stock of such Subsidiary except for (i) the issue or sale of any such stock to the Company or another Subsidiary, (ii) the issue or sale of Preferred Stock to the extent permitted by the provisions of § 6.12(2) hereof, and (iii) the issue or sale of stock of any class other than Preferred Stock to holders of minority interests in the stock of such class or to others, provided that the Company or a Subsidiary purchases an amount of the stock being issued or sold not less than the

proportion of the outstanding shares of such class theretofore owned by the Company and its Subsidiaries.

*Business of the Company and Subsidiaries:*

(8) The Company will not and will not permit any Subsidiary to (i) engage in any business other than Finance Business, or (ii) invest, other than in the ordinary course of the Finance Business, in any corporation or other business entity not engaged in the Finance Business unless, after giving effect thereto, the aggregate amount of all investments by the Company and its Subsidiaries in such corporations and other business entities does not exceed 10% of Consolidated Net Worth.

*Investments:*

(9) Notwithstanding the provisions of § 6.12(8), neither the Company nor any Subsidiary will (except in the ordinary course of the Finance Business) acquire or hold any stock of, or make or have any other investment in any securities of, or make or have outstanding any loan or advance to, any other person, firm or corporation, except as permitted by one or more of the following clauses (1) to (4) inclusive:

(1) The Company may acquire and hold stock of, and make and have other investments in securities of, and make and have outstanding loans and advances to, one or more Wholly-owned Subsidiaries, without limit as to amount, *provided* that such Subsidiaries are incorporated under the laws of Canada or a Province thereof or under the laws of the United States of America or one of the States thereof.

(2) The Company or any Finance Subsidiary may acquire and hold obligations of Canada or of the United States of America maturing within five years from the date of purchase.

(3) The Company or any Subsidiary may acquire and hold stock or securities acquired in bona fide settlement of debts owed to the Company or such Subsidiary.

(4) The Company may acquire and hold stock of, and make and have other investments in securities of, and make and have



outstanding loans and advances to one or more other corporations in a related line of business in an amount not exceeding \$50,000.

(5) The Company or any Wholly-owned Subsidiary may continue to hold and may hereafter acquire and hold stock and 6% Convertible Debentures of Commodore Sales Acceptance Limited which are issued and outstanding at the date hereof.

§ 6.13. *Trustee May Perform Covenants.* That if the Company shall fail to perform any covenant on its part herein contained, the Trustee may in its discretion but need not notify the Note holders of such failure or itself may perform any of said covenants capable of being performed by it and, if any such covenant requires the payment or expenditure of money, it may make such payments or expenditures with its own funds, or with money borrowed by or advanced to it for such purpose, but shall be under no obligation so to do; and all sums so expended or advanced shall be at once payable by the Company and shall bear interest at the rate of seven per cent (7%) per annum until paid, and shall be secured hereby, having the benefit of the lien hereby created in priority to the indebtedness evidenced by the Notes and coupons, but no such performance or payment shall be deemed to relieve the Company from any default hereunder.

§ 6.14. *To Perform Obligations Under Leases, Agreements.* That the Company will do, observe and perform all of its obligations and all matters and things necessary or expedient to be done, observed or performed under or by virtue of any lease, operating agreement, license or other contract which may at any time form part of the mortgaged property or be appurtenant thereto, so long as the same shall be of commercial value (and in every case in which a determination as to commercial value has been made for the purposes of this Section by the Directors such determination shall be final and conclusive), in order to preserve, protect and maintain all of the rights of the Company thereunder and that it will not suffer or permit any default for which any such lease, operating agreement, license or contract might be terminated or for which any other party thereto might be relieved of any of its obligations thereunder or for which any obligations of any such party thereunder might be reduced, but on the contrary will exercise and enforce from time to time all its rights and remedies thereunder,



but without restricting the provisions of this deed with respect to releases of mortgaged property or with respect to the modification or termination of any such lease, operating agreement, license or contract.

§ 6.15. *Any Pledged Securities and Receivables to be Lawfully Issued.* That shares, notes, obligations and other receivables, and/or securities (if any) now or hereafter mortgaged, hypothecated, pledged and/or charged hereunder will be valid shares or obligations of the makers and issuers thereof, will in the case of shares be fully paid and non-assessable and will in the case of obligations constitute a valid security according to their terms and that such shares, notes, obligations and other receivables, and/or securities will be free and clear of all liens, charges and encumbrances of every kind and nature.

§ 6.16. *Insurance.* The Company covenants that it will insure and keep insured against loss or damage by fire or other hazards its property and assets (including contracts, agreements, securities, notes or other documents or records evidencing, securing, recording or relating to the mortgaged premises) of a character usually insured by companies carrying on a similar business and that it will cause its Subsidiaries to insure and keep insured against loss or damage by fire or other hazards their property and assets of a character usually insured by companies carrying on a similar business, all such insurance to be effected and maintained in or with insurance companies of good standing (including such of the companies generally known as "New England Mutuels" or other companies, societies or exchanges for mutual or reciprocal insurance or "Lloyd's London" or other underwriters as may be satisfactory to the Trustee) or by self-insurance in a manner approved by the Trustee (which approval shall not be unreasonably withheld) and all such insurance to be for such amounts and in such manner and in respect of fire and such other hazards as the Directors may from time to time determine. The Company covenants that it will acquire and maintain a fidelity bond or bonds from a surety company or companies not disapproved by the Trustee or the holder or holders of twenty-five per cent (25%) or more in principal amount of the Notes of any series for employees of the Company and its Subsidiaries entrusted with the funds of the Company or its Subsidiaries with limits of liability for each such employee of not less than \$50,000.

The Trustee shall not be personally liable with respect to compliance by the Company with the provisions of this § 6.16.

§ 6.17. *Certain Waivers.* That anything in this indenture to the contrary notwithstanding, any of the acts which the Company or a Subsidiary is required to do or is prohibited from doing by any of the provisions of § 6.12, may, notwithstanding such provisions, be omitted or be done, as the case may be, by the Company or a Subsidiary, if the holders of not less than seventy-five per cent (75%) in aggregate principal amount of the (1) Series A Notes, (2) Series B Notes, (3) any Notes of additional series as to which the covenants of § 6.12 are made applicable by the provisions of a supplemental indenture and (4) Short Term Notes, treating each series as a separate class, outstanding at the time of execution of the consent or waiver provided for in this § 6.17 shall, by the method provided in Article XVII, consent thereto or waive compliance with any such provision or provisions.

## ARTICLE VII

### NOTES ARE SENIOR DEBT

§ 7.01. *Notes Are Senior Debt.* The Company covenants and agrees that the Notes are and will continue to be Senior Debt, to which all Subordinated Debt and all other Debt purporting to be subordinated to any other Debt of the Company and are will continue to be subordinate and junior in right of payment. In the event that any Subordinated Debt is declared due and payable before its expressed maturity because of a default under the instruments under which such Debt is issued or evidencing the same (a) the Company will give prompt notice in writing of such happening to the holders of the Notes and the Trustee of this indenture and (b) the Notes shall forthwith become immediately due and payable upon demand, regardless of the expressed maturity thereof.

## ARTICLE VIII

### POSSESSION, USE AND RELEASE OF MORTGAGED PROPERTY

§ 8.01. *Receipt by the Trustee.* The Trustee may in its discretion at any time and from time to time, whether or not the Company

is in default hereunder, give any notice to any person or persons and do such acts and take such proceedings as the Trustee may consider expedient for the purpose of collecting all or any part of the mortgaged property and may demand and receive payment therefor and may give releases and discharges therefor and enforce any and all rights incidental to or arising out of the mortgaged property, including without limiting the generality of the foregoing, all rights of possession, re-possession, revendication, seizure, removal and sale of chattels or other property.

All moneys received by the Trustee pursuant to the foregoing provisions of this § 8.01 shall be held by the Trustee as part of the mortgaged property, subject however to the right of the Company to obtain a release of such moneys in accordance with the provisions of § 8.04.

§ 8.02. *Receipt by the Company.* Unless and until the security hereby constituted shall have become enforceable and the Trustee shall have determined or become bound to enforce the same, and subject to the provisions of § 8.01, hereof, the Company (or any Subsidiary approved by the Trustee which would be entitled thereto if the property in question were not pledged hereunder) shall be entitled physically to receive all moneys paid in respect of the mortgaged property, such moneys to be received by the Company (or such Subsidiary) as agent and in trust for the Trustee and to be forthwith paid by the Company (or such Subsidiary) to the Trustee and held by the Trustee as part of the mortgaged property, subject however to the right of the Company to obtain a release of such moneys in accordance with the provisions of § 8.04; *provided* that, if at the time of the receipt of such moneys by the Company (or such Subsidiary) the Company is not in default under § 6.12(1), such moneys so received by the Company is not in default under § 6.12(1), such moneys so received by the Company (or such Subsidiary) shall be and be deemed to have been released from the specific lien hereof and to be no longer held by the Company (or such Subsidiary) as agent and in trust for the Trustee and the foregoing provisions as to payment thereof to the Trustee shall cease to apply to such moneys. Nothing in this § 8.02 shall affect moneys physically held by and pledged with the Trustee as part of

the mortgaged property, which may be released only in compliance with § 8.04.

§ 8.03. *Substitution of Government Bonds for Cash: Interest on Cash.* (1) Unless and until the security hereby constituted shall have become enforceable and the Trustee shall have determined or become bound to enforce the same, the Company shall, unless it shall be in default under § 6.12(1), be entitled to receive from the Trustee all interest paid in respect of any cash or bonds or other evidences of indebtedness permitted to be substituted therefor by § 8.03(2) forming part of the specifically mortgaged property; and the Company may collect such interest and the Trustee shall at once pay over to the Company any such interest which may have been collected or received by it.

(2) Upon receipt by the Trustee of a written request of the Company, all or any part of the cash forming part of the specifically mortgaged property shall be applied by the Trustee to the purchase of bonds or other evidences of indebtedness of, or fully guaranteed by, the government of Canada maturing within five years from the date of purchase, and upon like written request of the Company all or any part of the bonds or other evidences of indebtedness so purchased shall be sold by the Trustee. The Trustee shall hold any such bonds or other evidences of indebtedness in all respects as cash forming part of the specifically mortgaged property is to be held.

§ 8.04. *Release of Property.* Unless and until the security hereby constituted shall have become enforceable and the Trustee shall have determined or become bound to enforce the same, upon receipt of a written request of the Company so requesting and certifying that after giving effect to the payment or release so requested no default will exist under this indenture or under any other contract or agreement concerning limitations or restrictions upon such payments or releases between the Company and the holder of any Note:

(1) The Trustee shall pay to the Company any cash (or bonds or other evidences of indebtedness permitted to be substituted therefor by § 8.03(2) ) which shall then form part of the mortgaged property so long as, after giving effect to such pay-



ment, no default shall exist under § 6.12(1), and upon such payment such cash (or bonds or evidences of indebtedness, as the case may be) shall be and be deemed to be released from the specific lien hereof,

(2) the Trustee shall release Finances Receivables from the specific lien and charge of this indenture and redeliver the same to the Company or as directed by written request of the Company, but only if and to the extent that after giving effect to such release and redelivery no default shall exist under § 6.12(1), and

(3) to the extent that Finance Receivables are released as aforesaid the contracts, securities and other documents relating to such Finance Receivables held by the Company as agent for the Trustee pursuant to § 6.12(1) hereof shall be released from the specific lien and charge of this indenture.

(4) the Trustee shall release from the specific lien and charge of this indenture and redeliver to the Company or as directed by written request of the Company, all instruments mentioned in sub-paragraph (c) of § 3.01 upon receipt by the Trustee of a written request of the Company so requesting and certifying that such release is required to effect the sale or disposal of all debt and all shares of stock of a Subsidiary, which sale or disposal is permitted by § 6.12(7), but only if and to the extent that after giving effect to such release and redelivery no default shall exist under § 6.12(1).

Nothing herein shall be deemed to release from the first floating charge created by this indenture the cash (or bonds or other evidences of indebtedness permitted to be substituted therefor by § 8.03(2) ) so paid to the Company or the Finance Receivables or the contracts, securities, bills, notes and other documents relating thereto so released or redelivered.

The Trustee shall be entitled to rely upon certificates contained in written requests delivered as aforesaid and shall be entitled to treat the same as conclusive proof of the facts stated therein, and shall not be responsible for any errors occurring therein and shall be under no duty to verify the correctness of the same. Nevertheless, the Trustee may, in its discretion, require the Company to furnish and the Company shall furnish such further reasonable information and shall make

available to the Trustee such records as the Trustee may require for the purpose of verifying the correctness of such certificates.

§ 8.05. *Discretionary Powers of Trustee.* Unless and until the security hereby constituted shall have become enforceable and the Trustee shall have determined or become bound to enforce the same, the Trustee may, upon the application and at the cost of the Company and without any consent of the holders of the Notes do or concur in doing all or any of the things following, but only insofar as in the opinion of the Trustee the interests of the holders of the Notes will not be prejudiced thereby, namely:

(i) settle, adjust, compromise and arrange all accounts, questions, claims and demands whatsoever in relation to any of the mortgaged property;

(ii) execute and do any documents and things and bring, defend or abandon any actions, suits and proceedings in relation to any of the mortgaged property;

(iii) consent to any modification or change in the provisions of, or a release or waiver of, any liabilities or obligations under, the inter-company agreements referred to in § 6.05(2); and

(iv) generally act in relation to the mortgaged property as the Trustee may deem expedient in the interests of the holders of the Notes.

## ARTICLE IX

### EVENTS OF DEFAULT

§ 9.01. *Events of Default.* The security hereby constituted shall become enforceable subject to the terms hereinafter contained, in case one or more of the following Events of Default shall have occurred, that is to say:

(a) If the Company makes default in payment of any interest due on the Notes or any of them; or

(b) If the Company makes default in payment of the principal of or premium (if any) on any Note when the same becomes due and payable, or if the Company makes default in payment

of any sinking fund payment due hereunder or under any supplemental indenture when the same becomes due and payable; or

(c) If the Company shall become insolvent or bankrupt or subject to the provisions of the Winding-up Act or the Bankruptcy Act, or go into liquidation, either voluntary or under an order of a court of competent jurisdiction, or make a general assignment for the benefit of its creditors, or otherwise acknowledge its insolvency, or take any step under the Companies Creditors Arrangement Act; or

(d) If a liquidator or a receiver or a receiver and manager or a sequestrator or a trustee in bankruptcy be appointed to the Company; or

(e) If an encumbrancer takes possession of the mortgaged property or any part which is, in the opinion of the Trustee, a substantial part thereof, or if any process of execution be levied or enforced upon or against any of the property of the Company and remains unsatisfied for the space of eight (8) days as to personal property or three (3) weeks as to real property; provided that such process is not in good faith disputed by the Company and, in that event, provided further that non-payment shall not in the opinion of the Trustee jeopardize the title to the mortgaged property or the lien of this indenture, or in any way impair the security intended to be created hereby, and provided further that, if the Company shall desire to contest the same, it shall also give security which, in the absolute discretion of the Trustee, shall be deemed sufficient to pay in full the amount claimed in the event it shall be held to be a valid claim; or

(g) If the Company shall make default in observing or performing any other, covenant or condition of this deed on its part to be observed or performed and if such default shall continue for a period of thirty (30) days after a notice in writing has been given by the Trustee, or the holders of not less than twenty-five per cent (25%) in principal amount of the Notes of any series then outstanding, to the Company, specifying such default and requiring the Company to put an end to the same, which notice the Trustee may give on its own initiative; or

(h) If the Company shall make default in payment of the principal of or premium (if any) or interest due on any Senior Debt maturing more than one year after the date of the creation thereof and Senior Debt renewable by its terms at the option of the Company to a date more than one year after the date of the creation thereof, when the same becomes due and payable; or

(i) If the Company shall make default under the provisions of any instrument creating any specific mortgage, hypothec, pledge or charge or floating charge on the property or assets of the Company, unless, within such time as will prevent the exercise under such instrument of the remedies provided therein or available thereunder in cases of default and, in any event, within sixty (60) days from receipt of notice to that effect from the Trustee, the Company remedies such default and the rights of the Trustee and of the Note holders hereunder have not been prejudicially affected; or

(j) If the trustee under the provisions of any instrument under which any Debt of the Company has been issued, or evidencing such Debt, or any holder of any Debt evidenced or secured by any such instrument, shall, after an event of default thereunder has occurred, have taken any action or proceedings to enforce the security constituted thereby, or, whether or not any event of default has occurred under any such instrument, shall have taken any action or proceedings with a view to the appointment of a receiver; or

(k) If a final judgment which, with other outstanding final judgments against the Company and its Subsidiaries, exceeds an aggregate of \$25,000 shall be rendered against the Company or any Subsidiary and if within 60 days after entry thereof such judgment shall not have been discharged or execution thereof stayed pending appeal, or if within 60 days after the expiration of any such stay such judgment shall not have been discharged or an attachment, execution or levy is made upon, any of the assets of the Company or a Subsidiary, and is not discharged within thirty (30) days or stayed on appeal; or

(l) If any guarantor of any Note shall default in observing



or performing any covenant or condition of the guarantee of such Note and if such default shall continue for a period of thirty (30) days after notice in writing to such guarantor and to the Company specifying such default and requiring that the same be ended.

**The following additional event of default contained in the Fourth Supplemental Indenture is applicable so long as any of the Series J to Series Q Notes are outstanding:**

(m) If the Company shall make default in observing or performing any of the covenants contained in Section 6.12 hereof, provided that in so far as such default is based upon an insufficiency of Consolidated Net Worth, the Company shall have 10 days after the occurrence of such default in which to cure and make good such insufficiency.

§ 9.02. *Trustee May Declare Principal and Interest Due.* Subject to the provisions of § 9.03, in case the security hereby constituted shall become enforceable as hereinabove provided, the Trustee may in its discretion and shall upon the request in writing of the holders of twenty-five per cent (25%) in principal amount of the Notes then outstanding, or upon the request in writing of the holders of twenty-five per cent (25%) in principal amount of the Notes then outstanding of any series of Notes especially affected in the opinion of the Trustee by the Event of Default under which such security shall have become enforceable or upon the request in writing of the holders of twenty-five per cent (25%) in principal amount of Short Term Notes held by or pledged, hypothecated or charged to Canadian chartered banks, declare and demand the principal of and interest on the Notes together with the premium (if any) which would have been payable thereon if the Company had redeemed (otherwise than out of sinking fund moneys) the Notes on the date of such declaration or on the interest payment date next following any such date in the case of Notes redeemable only on an interest payment date, and other moneys secured hereby, to be due and payable and the same shall forthwith become immediately due and payable to the Trustee on demand, anything therein or herein contained to the contrary notwithstanding, and the Company shall and will pay forthwith to the Trustee on demand for

the benefit of the holders of the Notes the amount of the principal, premium (if any) as aforesaid, and interest then accrued on all the Notes and all other moneys secured hereby together with interest at the respective rates of interest borne by the Notes on such principal, premium and interest and at the rate of seven per cent (7%) per annum on such other moneys from the date of the said declaration until payment is received by the Trustee, and such payment when made shall be deemed to have been made on the Notes and any moneys so received by the Trustee shall be applied in the same manner as if they were proceeds of a sale of the mortgaged property made to enforce the security hereof. The Trustee shall immediately give notice to all Note holders in the manner provided in Article XVI hereof of any such action on its part or of any such request in writing by Note holders.

In case the Company shall fail forthwith to pay such amounts upon such demand, the Trustee in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceeding to judgment or final decree, and may enforce any such judgment or final decree against the Company or other obligor upon the Notes and collect in the manner provided and to the extent permitted by law out of the property of the Company or other obligor upon the Notes wherever situated the moneys adjudged or decreed to be payable.

The Trustee shall be entitled and empowered, either in its own name or as trustee of an express trust, or as attorney-in-fact for the holders of the Notes and the holders of the coupons, or in any one or more of such capacities, to file such proof of debt, amendment of proof of debt, claim, petition or other document as may be necessary or advisable in order to have the claims of the Trustee and of the holders of the Notes and of the coupons allowed in any insolvency, bankruptcy, liquidation or other judicial proceedings relative to the Company (or any other obligor on the Notes) or its (or such other obligor's) creditors or relative to or affecting its (or such other obligor's) property. The Trustee is hereby irrevocably appointed (and the successive respective holders of the Notes and of the coupons by taking and hold-

ing the same shall be conclusively deemed to have so appointed the Trustee) the true and lawful attorney-in-fact of the respective holders of the Notes and of the coupons, with authority to make and file in the respective names of the holders of the Notes or of the coupons or on behalf of the holders of the Notes or of the coupons as a class, subject to deduction from any such claims of the amounts of any claims filed by any of the holders of the Notes or of the coupons themselves, any proof of debt, amendment of proof of debt, claim, petition or other document in any such proceedings and to receive payment of any sums becoming distributable on account thereof, and to execute any such other papers and documents and to do and perform any and all such acts and things for and on behalf of such holders of the Notes and of the coupons, as may be necessary or advisable in the opinion of the Trustee, in order to have the respective claims of the Trustee and of the holders of the Notes and of the coupons against the Company or its property allowed in any such proceeding, and to receive payment of or on account of such claims; provided, however, that nothing contained in this indenture shall be deemed to give to the Trustee any right to accept or consent to any plan or reorganization or otherwise by action of any character in such proceeding to waive or change in any way any right of any Note holder.

All rights of action and of asserting claims under this indenture, or under any of the Notes or coupons, may be enforced by the Trustee without the possession of any of the Notes or coupons, or the production thereof on any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in the name of the Trustee as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the holders of the Notes and coupons, subject to the provisions of this indenture. In any proceedings brought by the Trustee (and also any proceedings in which a declaratory judgment of a court may be sought as to the interpretation or construction of any provision of this indenture, to which the Trustee shall be a party) the Trustee shall be held to represent all the holders of the Notes, and it shall not be necessary to make any holders of the Notes parties to any such proceedings.

§ 9.03. *Waiver of Default.* In the event of the security hereunder becoming enforceable, the Note holders shall have power by



extraordinary resolution (unless a particular series of Notes is especially affected by the Event of Default under which such security shall have become enforceable, in which case no such extraordinary resolution shall be deemed to have been validly passed or adopted unless the same shall have been adopted at a serial meeting) to instruct the Trustee, at any time before the Trustee has taken judicial proceedings to waive the default, and the Trustee shall thereupon waive the default upon such terms and conditions as such holders shall prescribe, provided always that no act or omission either of the Trustee or of the Note holders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or the rights resulting therefrom.

## ARTICLE X

### REMEDIES IN CASE OF DEFAULT

§ 10.01. *Remedies.* In case the security hereby constituted shall have become enforceable, and the Company shall have failed to pay to the Trustee, on demand, such amounts as are due from the Company and unpaid on the Notes and coupons then outstanding together with any other amounts due hereunder, and if the Note holders have not directed otherwise pursuant to any of the provisions of this indenture, the Trustee may in its discretion or, upon the written request of the holders of not less than twenty-five per cent (25%) in principal amount of the outstanding Notes or upon the written request of the holders of twenty-five per cent (25%) in principal amount of Short Term Notes held by or pledged, hypothecated or charged to Canadian chartered banks, and upon receiving reasonable indemnity against all costs, expenses and liabilities to be incurred, the Trustee shall

(i) by its officers, agents or attorneys take possession of all or any part or parts of the mortgaged property with power to exclude the Company, its agents and servants therefrom; carry on, manage, and conduct the business operations of the Company; preserve and maintain the mortgaged property and make such replacements thereof and additions thereto as it shall deem judicious; receive the rents, incomes and profits thereof



of any kind whatsoever and pay them out in accordance with the provisions of § 10.05; and enjoy and exercise all powers necessary to the performance of all functions provided for in this paragraph, including, but not in limitation thereof, the power to purchase on credit, borrow money in the Company's or its own name, and advance its own moneys at such rates of interest as it may deem reasonable (the debts representing all of which purchases, borrowings, and advances, together with interest thereon, while unpaid to be entitled to the security hereof in priority to the Notes); provided that the Trustee shall, upon all defaults being made good, or waived as herein provided, restore the said property to the Company subject to the mortgages and charges created by this indenture as if no default had occurred; and/or

(ii) without regard to the adequacy of the security constituted hereby or the solvency of the Company, apply to a court of competent jurisdiction for the appointment of a receiver or receiver and manager to take possession of all or such part or parts of the mortgaged property as the Trustee shall designate, with the duties, powers and obligations set forth in the immediately preceding paragraph and with such additional powers as the court making the appointment shall confer; and the Company hereby consents to the appointment of such receiver or receiver and manager; and/or

(iii) with or without taking possession, sell all or part of the mortgaged property, either as a whole or in separate parcels, at public auction or by public tender, at such times and places subject to adjournment from time to time by the Trustee, and on such terms and conditions as to upset or reserve bid or price and as to payment as the Trustee shall appoint; and if there is no purchaser at such sale or tender, the Trustee may sell at private sale without further notice; and/or

(iv) take any action or proceedings to enforce payment of the Notes or performance of any other covenant contained herein or to enforce the security hereby constituted and to bring to sale the mortgaged property or any part or parts thereof under a judgment or decree of a court or courts of competent jurisdiction or

by the enforcement of any other legal remedy which the Trustee on the advice of Counsel, shall deem most effectual to protect and enforce any of its rights or any of the rights of the Note holders.

§ 10.02. *Trustee and Note Holders May Purchase.* The Trustee, or any one or more of the Note holders or any agent or representative thereof, may become purchasers at any sale of any mortgaged property, whether made under the power of sale herein contained or pursuant to judicial proceedings.

§ 10.03. *Note Holders May Direct Trustee's Action.* Except as herein otherwise expressly provided the Note holders may from time to time by extraordinary resolution or the holders of a majority in principal amount of the Notes by instrument in writing may, from time to time, direct and control the action of the Trustee in any proceedings under this Article.

§ 10.04. *Surrender by Company.* The Company binds and obliges itself to yield up possession of its property and the conduct of its business to the Trustee on demand whenever the Trustee shall have a right of entry under the foregoing provisions and agrees to put no obstacle in the way of, but to facilitate by all legal means, the actions of the Trustee hereunder and not to interfere with the carrying out of the powers hereby granted to it, and in the event of the security becoming enforceable, as hereinbefore provided, the Company shall and hereby does consent to the appointment in such case of a liquidator or receiver or receiver and manager with all such powers as the Trustee is hereby vested with, or as a court of competent jurisdiction grant. The Company hereby binds itself in said event to consent to any petition or application presented to the court by the Trustee in order to effectuate the intent of this indenture, and the Company shall not, after receiving due notice from the Trustee that it has taken possession of the said business by virtue of these presents, continue in the said business, unless with the express written consent and authority of the Trustee, and shall forthwith, by and through its officers and directors, execute such documents and transfers as may be necessary to place the Trustee in legal possession of the said property and business, and after receipt of such notice, all the powers and functions, rights and privileges of each and every of the directors and officers of the Com-

pany shall cease and determine with respect to the mortgaged property unless specifically continued in writing by the Trustee, or unless the property shall have been restored to the Company as hereinbefore provided.

§ 10.05. *Application of Moneys.* Except as herein otherwise expressly provided the moneys arising from the enforcement of the provisions of this indenture and the Notes (including but not limited to the carrying on of the business of the Company by the Trustee under the provisions of § 10.01 or from any sale or realization of the whole or any part of the mortgaged property pursuant to any proceedings based upon default hereunder whether under any sale by the Trustee or by judicial proceedings or otherwise) shall be applied, together with any other moneys then in the hands of the Trustee available for such purpose, in the first place to pay or reimburse to the Trustee the costs, charges, expenses, advances and compensation of the Trustee in or about the execution of its trust, or otherwise in relation hereto, with interest thereon as herein provided, and all taxes, assessments and other charges ranking in priority to the Notes and coupons and the residue of the said moneys shall be applied:

(1) First, in or towards payment of the principal of the Notes for the time being outstanding and second, in or towards payment of the premium (if any) on such Notes and payment of the accrued and unpaid interest and interest on overdue interest and premium (if any) on such Notes, ratably and proportionately and without preference or priority as between premium or interest, provided that no payment shall be made on any interest or coupon the time of payment of which has been extended, whether by purchase or funding or otherwise, except in accordance with the provisions of § 10.06 and provided further that payments upon Notes pledged, hypothecated or charged as security for advances or loans to or for indebtedness or other obligations of the Company shall be subject to the provisions of § 2.10.

(2) The surplus (if any) of such moneys shall be paid to the Company or its assigns.

§ 10.06. *Company Not to Extend Time for Payment of Coupons.* In order to prevent any accumulation after maturity of interest or



coupons, the Company agrees and covenants that it will not, directly or indirectly, extend or assent to the extension of time for payment of any coupons or interest upon any Note, and that it will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding said coupons or interest or in any other manner. In case the time for payment of any such coupons or interest shall be so extended, whether or not such extension be by or with the consent of the Company, such coupons or interest shall not be entitled, in case of default hereunder, to the benefit or security of this indenture, except subject to the prior payment in full of the principal and premium (if any) of all Notes and of all matured coupons and interest on such Notes, the payment of which has not been so extended. All coupons shall, when paid, be forthwith cancelled and handed to the Trustee as evidence of such payment and cancellation.

§ 10.07. *Trustee May Defer Distribution.* The Trustee shall not be bound to apply or make any partial or interim payment of any moneys coming into its hands if the amount so received by it is insufficient to make a distribution of at least two per cent (2%) of the aggregate principal amount of the outstanding Notes, but it may retain the money so received by it and deal with same as provided in Article XII until the money or the investments representing the same, with the income derived therefrom, together with any other moneys for the time being under its control, shall be sufficient for the said purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set forth.

§ 10.08. *Notice of Distribution.* Not less than twenty-one (21) days' notice shall be given by the Trustee of any payment to be made under this Article to the Note holders. Such notice shall state the time and place when and where such payment is to be made, and also the liability hereunder upon which it is to be applied. After the day so fixed, unless payment shall have been duly demanded and have been refused, the Note holders will be entitled to interest only on the remainder (if any) of the principal moneys, premium (if any) and interest due to them, respectively, on the Notes, after deduction of the respective amounts payable in respect thereof on the day so fixed.



§ 10.09. *Receipt of Note Holders Good Discharge.* The receipt of the bearer, or, if registered as to principal only, of the registered holder, of each of the Notes for moneys paid on account of the principal thereof, and premium (if any) thereon and of the registered holder of fully registered Notes for moneys paid on account of the principal thereof, premium (if any) and interest due thereon, and of the bearer of a coupon shall be a good discharge to the Trustee and to the Company. Delivery by the bearer of a Note payable to bearer or of a coupon and delivery by the registered holder thereof of a Note registered as to principal or of a fully registered Note shall, moreover, be a good discharge for the principal moneys, premium (if any) and interest evidenced by such instruments respectively.

§ 10.10. *Trustee May Demand Production of Notes.* The Trustee shall have the right at the time it makes any payment of principal, premium or interest required by this Article to demand of the person claiming such payment the production of the actual Note or coupon under which he claims such payment be made, and may cause to be endorsed on the same a memorandum of the amount so paid and the date of payment, but the Trustee may, in its discretion, dispense with such production and endorsement in any special case, upon such indemnity being given as it shall deem sufficient.

§ 10.11. *Purchaser May Turn in Notes on Account of Purchase Price.* Upon any sale of mortgaged property, or any part thereof, whether made under the power of sale herein contained or pursuant to judicial proceedings, any purchaser may in paying purchase money turn in any of the Notes or matured coupons in place of cash to the amount which would upon distribution of the net proceeds of such sale be payable thereon and, in case the amount so payable thereon shall be less than the amount due thereon, such Notes or matured coupons shall be returned after being properly stamped to show such partial payment.

§ 10.12. *Principal of Notes Becomes Due on Sale.* Upon any such sale of mortgaged property, or any part thereof, whether made under the power of sale herein contained, or pursuant to judicial proceedings, the principal of the Notes, if not previously declared due, together with the premium (if any) which would have been payable

thereon if the Company had redeemed the Notes on the date of such sale or on the interest payment date next following any such date, in the case of Notes redeemable only on an interest payment date, shall immediately become due and payable notwithstanding anything to the contrary in said Notes or in this indenture.

§ 10.13. *Limitation of Trustee's Liability.* The Trustee shall not, nor shall any receiver or receiver and manager appointed as aforesaid, be responsible or liable, otherwise than as a trustee, for any debts contracted by it, for damage to persons or property, or for salaries or non-fulfilment of contracts during any period wherein the Trustee or receiver or receiver and manager shall manage the mortgaged property upon or after entry, as herein provided, nor shall the Trustee or any receiver or receiver and manager be liable to account as mortgagee in possession or for anything except actual receipts, or be liable for any loss on realization or for any default or omission for which a mortgagee in possession might be liable, and the Trustee shall not be bound to do, observe or perform or to see to the observance or performance by the Company of any of the obligations herein imposed upon the Company, nor in any other way to supervise or interfere with the conduct of the Company's business, unless and until the security hereby created has become enforceable and the Trustee shall have been required by the Note holders to enforce the same and shall have been kept supplied with moneys reasonably necessary to provide for the expenses of the required action and with satisfactory indemnity as aforesaid.

§ 10.14. *Protection of Persons Dealing with Trustee.* No person dealing with the Trustee or its agents shall be concerned to inquire whether the security hereby constituted has become enforceable, or whether the powers which the Trustee is purporting to exercise have become exercisable, or whether any money remains due upon the security of these presents or the Notes, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or of any other dealing by the Trustee with the mortgaged property, or to see to the application of any money paid to the Trustee; and, in the absence of fraud on the part of such person, such dealing shall be deemed, so far as regards the safety and protection of such person,

to be within the powers hereby conferred and to be valid and effectual accordingly.

§ 10.15. *Remedies Cumulative.* No remedy herein conferred upon or reserved to the Trustee, or upon or to the holders of Notes, is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by statute.

§ 10.16. *Judgment Against the Company.* The Company covenants and agrees with the Trustee that, in case of any judicial or other proceedings to enforce the security hereby created, judgment may be rendered against it in favour of the Note holders or in favour of the Trustee, as trustee for the Note holders, for any amount which may remain due in respect of the Notes and the interest thereon after the application to the payment thereof of the proceeds of any sale of the mortgaged property or any part thereof.

§ 10.17. *Company to Execute Confirmatory Deed.* In case of any sale hereunder, whether by the Trustee or under judicial proceedings, the Company agrees that it will execute to the purchaser on demand any instrument reasonably necessary to confirm to the purchaser the title of the property so sold, and, in case of any such sale, the Trustee is hereby irrevocably authorized by the Company to execute on its behalf and in its name any such confirmatory instrument.

## ARTICLE XI

### SUCCESSOR COMPANY

§ 11.01. *Trustee May Join in Documents.* The Trustee, upon obtaining an opinion of Counsel that the sale, transfer or other disposition or consolidation, merger or amalgamation mentioned in § 6.12(5) is on the terms permitted by the said § 6.12(5), shall consent thereto and join in such documents and do such acts as in its discretion may be thought advisable, and upon such consent being given, such sale, transfer or other disposition or consolidation, merger or amalgamation may be carried out and thereupon the Company may be released and discharged from liability under this indenture and the Trustee may



execute any document or documents which it may be advised is or are necessary or advisable for effecting or evidencing such release and discharge and the opinion of Counsel as aforesaid shall be full warrant and authority to the Trustee for so doing.

§ 11.02. *Further Issues of Notes.* Such successor company may thereupon cause to be signed and may issue, either in its own name or in the name of the Company, any or all Notes, the issue of which is from time to time authorized hereunder, not theretofore signed by the Company and delivered to the Trustee and the Trustee, upon the order of such successor company, in lieu of the Company, and subject to all the terms, conditions and restrictions herein prescribed, shall certify any and all such Notes previously signed by the officers of the Company and delivered to the Trustee for certification, and any of such Notes which such successor company shall thereafter cause to be signed and delivered to the Trustee for that purpose. All Notes so issued shall have the same legal rank and security as the Notes theretofore or thereafter issued in accordance with the terms of this indenture as though all such Notes had actually been issued by the Company as of the date of the execution hereof. Every such successor company shall possess and may exercise each and every power of the Company hereunder.

## ARTICLE XII

### INVESTMENT OF TRUST MONEYS

§ 12.01. *Investment of Trust Moneys.* Unless otherwise provided in this deed, any moneys held by the Trustee, which under the trusts of this indenture may or ought to be invested or which may be on deposit with the Trustee or which may be in the hands of the Trustee, may be invested and reinvested in the name or under the control of the Trustee in any obligations of Canada or of the United States of America maturing within five years from the date of purchase. Pending such investment such moneys may be placed by the Trustee on deposit in some chartered bank in Canada or with its own deposit department. The Trustee shall allow interest at the current rate for similar deposits of money remaining on deposit with it and shall credit the Company with interest received on moneys deposited with other depositaries and all moneys invested as herein provided.



## ARTICLE XIII

## PROCEEDINGS

§ 13.01. *Suits by Note Holders and Trustee; Note Holders May Not Sue.* Except as otherwise expressly provided in this § 13.01, no holder of any Note or coupon shall have any right to institute any suit, action or proceeding for the purpose of bringing the mortgaged property to sale, or for the execution of any trust or power hereunder or for the appointment of a liquidator, sequestrator, receiver or receiver and manager or for a receiving order or to have the Company wound up, or for any other remedy hereunder, unless such holder shall previously have given to the Trustee written notice of the happening of an Event of Default which has rendered enforceable the security hereby created and of the continuance thereof for thirty days; nor unless the holders of at least twenty-five per cent (25%) in principal amount of the Notes shall have made written request to the Trustee and shall have afforded to it reasonable opportunity either itself to proceed to exercise the powers hereinbefore granted or to institute an action, suit or proceeding in its own name for such purpose; nor unless also such Note holders shall have offered to the Trustee, when so requested by the Trustee, sufficient funds and security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; nor unless also the Trustee shall have failed to act within a reasonable time after such notification, request and offer of indemnity; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to any such proceedings or for any other remedy hereunder by or on behalf of the holder of any Notes or coupons.

Nothing herein contained shall, however, affect or impair the right, which is absolute and unconditional, of any Noteholder to receive, and to institute suit to enforce the payment of the principal of (and premium, if any) and interest on his Notes at and after the maturity (including maturity by call for redemption, declaration pursuant to this indenture or otherwise) of such principal (or premium, if any) or interest, or the obligation of the Company, which is also absolute and unconditional, to pay the principal of (and premium, if

any) and interest on each of the Notes to the respective holders thereof at the times and places in the Notes and coupons expressed.

§ 13.02. *Trustee Not Required to Possess Notes.* All rights of action under this indenture may be enforced by the Trustee without the possession of any of the Notes or coupons or the production thereof on any trial or other proceedings relative thereto.

§ 13.03. *Trustee May Institute All Proceedings.* The Trustee shall have the power to institute and maintain all and any such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security hereunder by any acts of the Company, or of others, in contravention of this indenture or in violation of law, or as the Trustee may be advised shall be necessary or expedient to preserve and to protect its interest and the security and interests of the holders of the Notes in respect of mortgaged property or in respect of the income, earnings, rents, issues and profits thereof.

§ 13.04. *Note Holders May Waive Default.* In case any action, suit or other proceeding shall have been brought by the Trustee or by any Note holder after failure of the Trustee to act, the Note holders may by extraordinary resolution, as hereinafter defined, direct (except as provided in § 13.01) the Trustee or the Note holder bringing any such action, suit or other proceeding to waive the default in respect of which any such action, suit or other proceeding shall have been brought upon payment of the costs, charges and expenses incurred by the Trustee or the Note holder, as the case may be, in connection therewith, and to stay or discontinue or otherwise deal with any such action, suit or other proceeding, and such direction shall (except as provided in § 13.01) be binding upon and shall be observed by the Trustee and such Note holder.

§ 13.05. *Immunity of Officers, Shareholders and Directors.* The obligations on the part of the Company expressed herein and in the Notes and coupons are solely corporate obligations and no action, suit or proceeding shall be instituted or maintained in respect thereof against any officer, director or shareholder (present, past or future) of the Company, either directly or through the Company or otherwise.

Nothing contained herein or in the Notes shall be taken, however, to prevent recourse to and the enforcement of the liability of any

shareholder of the Company for uncalled capital or the liability of any such shareholder upon unsatisfied calls.

## ARTICLE XIV

### APPOINTMENT OF NEW TRUSTEE, CO-TRUSTEE OR SUBSTITUTE TRUSTEE

§ 14.01. *Appointment of New Trustee.* The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder after giving three months' notice in writing to the Company; provided, however, that such shorter notice may be given as the Company shall accept as sufficient. In case of the resignation of the Trustee or its removal from office or incapacity to act, its successor shall be at once appointed by the Company and the Trustee jointly, provided that such successor so appointed shall be a responsible trust company empowered to carry on business in the Province of Ontario; but should they fail to agree on such appointment then such successor shall be appointed by a Judge of the Supreme Court of Ontario upon the application of the Company upon such notice to the Note holders and given in such manner as the said Judge may direct, or upon the application of Note holders upon notice to the Company. On any new appointment the new Trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Trustee, without any further assurance, conveyance, act or deed, but there shall be immediately executed, at the expense of the Company, all such instruments (if any) as the new Trustee may be advised by Counsel are necessary or advisable.

Any such new or successor Trustee shall, forthwith upon appointment, become vested with all the estates, properties, rights, powers and trusts of its predecessors in the trusts hereunder, with like effect as if originally named as Trustee herein; but, nevertheless, upon the written request of the successor Trustee or of the Company, the Trustee ceasing to act shall execute and deliver an instrument assigning and transferring to such successor Trustee, upon the trusts herein expressed, all the mortgaged property, rights, powers and trusts of the Trustee so ceasing to act, and shall duly assign, transfer and deliver



all property and money held by such Trustee to the successor Trustee so appointed in its place. Should any deed, conveyance or instrument in writing from the Company be required by any new Trustee for more fully and certainly vesting in and confirming to it such estates, properties, rights, powers and trusts, then any and all such deeds, conveyances and instruments in writing shall, on request of said new Trustee, be made, executed, acknowledged and delivered by the Company.

Any company into which the Trustee may be merged or with which it may be consolidated or amalgamated, or any company resulting from any merger, consolidation or amalgamation to which the Trustee shall be a party, shall be the successor Trustee under this indenture without the execution of any instrument or any further act.

§ 14.02. *Appointment of Co-Trustee or Substitute Trustee.* At any time or times, in order to conform to any legal requirements, the Trustee and the Company shall have power to appoint, and upon request of the Trustee the Company shall join with the Trustee in the execution and delivery of all instruments and the performance of all acts necessary or proper to appoint, another trust company or bank or one or more individuals, approved by the Trustee, either to act as co-trustee or co-trustees of all or any part of the trust estate jointly with the Trustee, or to act as substitute trustee or trustees of any part of the same, and in any case with all such of the powers, rights, duties, obligations and immunities hereby conferred or imposed on the Trustee, and for such term, if any limitation is placed thereon, as may be specified in the instrument of appointment, the same to be exercised jointly with the Trustee, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or co-trustees or substitute trustee or trustees; and, if an Event of Default shall have happened and shall not have been remedied or if the Company shall fail to join with the Trustee in any such appointment within five days after being requested by the Trustee so to do, the Trustee shall have power, without any action on the part of the Company and without the necessity of the execution of any such



instrument of appointment by the Company, to appoint such co-trustee or co-trustees or substitute trustee or trustees as aforesaid, and to execute all instruments and perform all acts necessary or convenient and proper for such purpose. The Trustee may receive the opinion of any counsel selected and approved by it as to the necessity or propriety of appointing any such co-trustee or substitute trustee and as to the form and effect of any such instrument to be executed or any act to be taken to effect such appointment and to any other matter arising under this § 14.02, and, subject to the provisions of § 18.01, such opinion shall be full protection to the Trustee for any action taken or omitted to be taken by it pursuant thereto. The Company and the Trustee, at any time, by an instrument in writing, executed by them jointly, may remove any such co-trustee or substitute trustee, and, in that case, by an instrument in writing executed by them jointly, may appoint a successor or successors to such co-trustee or substitute trustee. In the event the Company shall not have joined in the execution of any such instrument within five days after receipt of a written request so to do, the Trustee shall have the power to remove any such co-trustee or substitute trustee and to appoint a successor co-trustee or successor substitute trustee without the concurrence of the Company.

## ARTICLE XV

### NON-PRODUCTION OF NOTES

§ 15.01. *Non-Production of Notes.* Subject to the provisions of Article IV hereof, in the event of a holder not producing any Note or coupon upon the redemption, maturity or other date of payment thereof, a certificate of the Trustee hereunder of the deposit with it for payment of the principal amount of such Note and premium (if any) and of such interest as may be due thereon shall avail as a cancellation of such Note or coupon for the purposes hereof, and as a sufficient authorization to the Company to cancel the entries relating to such Note or coupon and to the Trustee to discharge pro tanto the security hereby created.

## ARTICLE XVI

## NOTICES

§ 16.01. *Notice to Company.* Any notice to the Company under the provisions of this indenture shall be valid and effective if given by registered letter postage prepaid addressed to the Company at 1208 Concourse Building, 100 Adelaide Street West, Toronto, Canada, Attention: President, and shall be deemed to have been effectively given from the time when in ordinary course of post the said letter should have reached its destination. The Company may from time to time notify the Trustee of a change in address which thereafter, until changed by like notice, shall be the address of the Company for all purposes of this indenture.

§ 16.02. *Notice to Note Holders.* Except as herein otherwise expressly provided, all notices to be given hereunder with respect to the Notes shall be deemed to be validly given to the holders or registered Notes if sent through the ordinary post, postage prepaid, by letter or circular addressed to such holders at their post office addresses appearing in any of the registers hereinbefore mentioned, and to the holders of coupon Notes not registered as to principal if advertised in one or more daily newspapers of general circulation published in the respective cities in which the Company is for the time being required to maintain a register for the Notes, and in a newspaper or newspapers in such other place or places (if any) as the Directors of the Company may determine, at least once in each of two consecutive weeks. Any notice so advertised or served by post shall be deemed to have been given or served on the day upon which it is posted or first advertised as aforesaid.

## ARTICLE XVII

## MEETINGS

§ 17.01. *Note Holders.* Meetings of Note holders shall be convened, held and conducted in the manner following:

*Calling of Meetings:*

(a) At any time and from time to time the Trustee or the Company may, and the Trustee shall on being served with a requisition

signed by Note holders representing at least ten per cent (10%) of the aggregate principal amount of the Notes outstanding, convene a meeting of the Note holders. In the event of the Trustee failing to convene a meeting after being thereunto required by the Note holders as hereinbefore set forth, Note holders representing the requisite percentage of Notes as aforesaid may themselves convene such meeting and the notice calling such meeting may be signed by such person as such Note holders may specify. Every such meeting shall be held at the City of Toronto, Canada, or at such other place as the Trustee may in any case determine or approve.

*Serial Meetings:*

(b) If the business to be transacted at any meeting by resolution, extraordinary or otherwise, especially affects in the opinion of the Trustee the rights of the holders of any series or part of a series of Notes in a manner or to an extent substantially differing from that in or to which the rights of the holders of any other series or part thereof are affected then reference to such fact indicating each series or part of a series so especially affected shall be made in the notice of the meeting and the meeting shall be and be deemed to be and is herein referred to as a serial meeting. For the purposes of § 9.03 and § 13.04 and subparagraphs (i), (v), (vi), (ix), (xii), (xiii), (xiv) and (xv) of paragraph (n) of § 17.01 of this indenture, Short Term Notes held by or pledged, hypothecated or charged from time to time by the Company to Canadian chartered banks shall be deemed to be a separate series of Notes, and in respect of all actions which by such § 9.03 and § 13.04 and by the said subparagraphs or paragraph (n) of § 17.01 are required or permitted to be taken by extraordinary resolution, the rights of the holders of such Short Term Notes shall always be deemed to be so especially affected.

*Notice of Meetings:*

(c) At least twenty-one (21) clear days' previous notice of such meeting shall be given to the Note holders and such notice shall state the time when, and the place where, said meeting is to be held and shall specify in general terms the nature of the business to be transacted thereat, but it shall not be necessary to specify in the notice the



text of the resolutions to be passed. Notices shall be given in the manner set forth in Article XVI and a copy thereof shall be sent by post or delivered to the Trustee unless the meeting has been called by it. It shall not be necessary to specify in the notice of any adjournment of a meeting the nature of the business to be transacted at the adjourned meeting. The non-receipt of any such notice by a Note holder shall not invalidate any resolution passed at such meeting.

*Quorum:*

(d) At any meeting of the Note holders, subject as hereinafter provided, a quorum shall consist of two or more persons present in person holding or representing as proxies holders of not less than a majority in principal amount of the Notes. If, however, the meeting is a serial meeting, a quorum shall consist of two or more persons present in person holding or representing as proxies holders of not less than a majority in principal amount of the Notes and also not less than a majority in principal amount of the outstanding Notes of each series or part thereof especially affected as aforesaid. In the event of such quorum not being present on the date for which the meeting is called within one-half hour after the time fixed for the holding of such meeting, the meeting shall be adjourned to be held at a place and upon a date and at an hour to be fixed by the Trustee who will give not less than fourteen (14) days' notice of the date and time to which such meeting is adjourned and of the place where such adjourned meeting is to be held and if, at such adjourned meeting, there are not present in person two or more persons holding or representing as proxies holders of not less than a majority in principal amount of the Notes and also, if such meeting is a serial meeting, holding or representing as proxies holders of not less than a majority in principal amount of the outstanding Notes of each series or part thereof especially affected as aforesaid, a quorum shall consist of the Note holders then and there represented in person or by proxy and voting.

*Chairman:*

(e) Some person, who need not be a Note holder, nominated in writing by the Trustee, shall be Chairman of the meeting and, if no person is so nominated, or if the person so nominated is not present



within twenty-five (25) minutes after the time fixed for holding of the meeting, the Note holders and proxies for Note holders present shall choose one of their number to be Chairman.

*Certain Notes Deemed Not Outstanding:*

(f) Notes held by or for the Company shall not be deemed to be outstanding Notes for any purpose of this Article; provided, however, that Notes pledged or charged by the Company to its bankers pursuant to § 2.10 shall, for all such purposes, be deemed to be outstanding Notes in no greater aggregate principal amount than the amount of the indebtedness or other obligations secured thereby (a statutory declaration by any manager, assistant manager or accountant of such bankers to be conclusive proof of the amount of such indebtedness or other obligations), and the pledgees thereof or holders of any lien or charge thereon shall be qualified and entitled to sign any requisition or notice, attend all meetings of Note holders, and vote thereat in respect of the Notes so pledged or charged by the Company, unless such pledgees or holders are expressly precluded under the terms of the pledge or charge from freely exercising in their discretion, uncontrolled by the Company, the right to vote such Notes, in which case the terms of the pledge or charge shall govern.

*Majority Vote on Ordinary Resolution:*

(g) Every question submitted to a meeting, except an extraordinary resolution, shall be decided in the first place by a majority of the votes given on a show of hands. In the case of an equality of votes on a show of hands the Chairman shall have a casting vote.

*Poll to be Taken on Extraordinary Resolution:*

(h) A poll shall be taken on every extraordinary resolution and, when requested by a Note holder or by a proxy representing a Note holder holding at least ten thousand dollars (\$10,000) principal amount of the Notes, on any other question or resolution.

*Taking of Poll:*

(i) If at any meeting a poll is so demanded as aforesaid on the election of a Chairman or on a question of adjournment, it shall be

taken forthwith. If at any meeting a poll is so demanded on any other question, or an extraordinary resolution is to be voted upon, a poll shall be taken in such manner and either at once or after an adjournment as the Chairman directs. The result of a poll shall be deemed to be the decision of the meeting at which the poll was demanded.

*Votes on a Poll:*

(j) At any meeting of the Note holders each Note holder shall on a poll have one vote for every one thousand dollars (\$1,000) principal amount of Notes of which he shall be the holder, provided that if at the time there shall be any Notes of lesser denominations outstanding each Note holder shall on a poll have one vote for each \$100 principal amount of Notes held by him. Votes may be given in person or by proxy and a proxy need not be a Note holder.

*Votes at a Serial Meeting:*

(k) At a serial meeting no ordinary resolution shall be deemed to have been validly passed or adopted unless there shall have been given in favour thereof not less than a majority of the votes given respectively by the holders of each series of Notes or part thereof especially affected as aforesaid as well as a majority of all the votes given thereon.

*Trustee May Make Regulations:*

(l) The Trustee may (for the purpose of enabling the holders of unregistered Notes to be present and vote at any meeting without producing their Notes and of enabling them and the holders or registered Notes to be represented and vote at any such meeting by proxy and of lodging such proxies at some place or places other than the place where the meeting is to be held) from time to time make and from time to time vary such regulations as it shall think fit providing for and governing:

(i) The deposit of unregistered Notes with any bank, banker, trust company or other depositary (who may be a holder of such Notes in cases approved by the Trustee) satisfactory to the Trustee, and for the issue to the persons so depositing such Notes of certificates by such depositary, in terms satisfactory

to the Trustee, that such Notes have been deposited, which certificates will entitle the persons named therein to be present and vote at any such meeting, and at any adjournment thereof, and to appoint proxies to represent them and vote for them at any such meeting, and at any adjournment thereof, in the same way as if the persons so present and voting either personally or by proxy were the actual bearers of the Notes in respect of which such certificates shall have been issued; and

(ii) The voting by proxy by holders of registered Notes and the form of instrument appointing proxies where authorized under such regulations and the manner in which the same shall be executed, and for the production of the authority of any person signing on behalf of the giver of such proxy; and

(iii) The lodging of such certificates and of the instruments appointing proxies at such place or places and in such custody as the Trustee directs and the time (if any) before the holding of the meeting or adjourned meeting by which the same shall be deposited; and

(iv) The forwarding by the custodian of particulars of such certificates and instruments appointing proxies by letter, cable, telegraph or radio before the meeting to the Company or to the Trustee or to the Chairman of the meeting and providing that certificates or instruments appointing proxies so lodged and particulars of which are forwarded in accordance with such regulations will confer the same right to vote as though the certificates or instruments themselves were produced at the meeting.

Any regulations so made shall be binding and effective and votes given in accordance therewith shall be valid and shall be counted. The Trustee may dispense with any such deposit and permit Note holders to make proof of ownership in such other manner, if any, as the Trustee may approve. Save as aforesaid the only persons who shall be recognized at any meeting as the holders of Notes or as entitled to vote or be present at the meeting in respect thereof shall be persons who produce unregistered Notes at the meeting and registered Note holders.



*Company, Trustee and Legal Advisers May Attend:*

(m) The Company and the Trustee by their respective officers and directors may attend any meeting of Note holders. The legal advisers of the Company and of the Trustee may also attend any such meeting.

*Powers Exercisable by Extraordinary Resolution:*

(n) A meeting of the Note holders shall, in addition to any powers hereinbefore given, have the following powers, exercisable from time to time by extraordinary resolution except where provided otherwise in this indenture:

(i) Power to require the Trustee on having entered into and taken possession of the mortgaged property or any part thereof, or to authorize any receiver or receiver and manager in possession of the mortgaged property or any part thereof, to restore the same to the Company upon such conditions as such resolution may specify.

(ii) Power to authorize the Trustee to accept in satisfaction or part satisfaction for the sale or transfer by the Trustee of all or any part of the mortgaged property any shares (whether preference, ordinary, deferred, management or founders), bonds, debentures, mortgages, debenture stock or any other securities of any company formed or to be formed.

(iii) Power to consent to any sale, transfer or other disposition or consolidation, merger or amalgamation mentioned in § 6.12(5).

(iv) Power to authorize the distribution in specie of any shares or securities or the use or disposal of the whole or any part of such shares or securities or any cash in such manner and for such purpose as may be deemed advisable.

(v) Power to require the Trustee to exercise or refrain from exercising any of the powers conferred upon it by this indenture or to waive any default on the part of the Company, upon such terms as may be decided upon.



(vi) Power to sanction the release of the Company and of the whole or any part of the mortgaged property from the mortgages, hypothecs, pledges and charges hereby created.

(vii) Power to authorize the Trustee or any other corporation, firm, person or persons to do all or any of the following, namely:—

(1) to bid or tender at any sale of the mortgaged property or any part thereof;

(2) to tender in payment or part payment on account of the purchase price of any property so purchased all or any part of the Notes or to set off the amount or any part thereof due upon all or any of the Notes against such purchase price and to give to the Company a valid discharge in respect of the Notes so tendered or the amount so set off;

(3) to borrow the moneys required to make any deposit at said sale or to pay the balance of the purchase price and to grant, mortgage, hypothecate, pledge, charge and transfer the property so purchased and any or all Notes not so tendered or any part or parts of such property or Notes as security for the repayment of the moneys so borrowed and interest thereon, or itself, himself or themselves, as the case may be, to advance such moneys in which event it, he or they shall have a lien, charge or privilege upon or a right of retention of the property so purchased and on or of the Notes not so tendered for the amount so advanced and interest thereon;

(4) to hold any property so purchased and Notes not so tendered (subject to any mortgage, charge, lien or transfer or to such right of retention to secure any moneys so borrowed or advanced) in trust for all the holders of the Notes at the time of such tender pro rata in proportion to the amounts due to them thereon respectively for principal, premium (if any) and interest before the making of such tender;

(5) to sell, transfer and convey the whole or any part or parts of the property so purchased for such consideration in

cash or in the shares, bonds, debentures or other securities of any company formed or to be formed, or partly in cash and partly in such securities, and upon such terms and conditions as may be determined by such extraordinary resolution of the Note holders, or, failing such determination by such extraordinary resolution of the Note holders, as it, he or they may deem expedient, and, subject to such terms and conditions, to dispose of such cash, shares, bonds, debentures or other securities pursuant to the provisions of sub-paragraph (iv) of this paragraph (n);

(6) until the sale, transfer and conveyance of the whole of such property so purchased, to maintain and operate such part of said property as has not been disposed of and for such purposes to borrow moneys and to grant, mortgage, hypothecate, pledge, charge and transfer the property so purchased, or any part or parts thereof, as security for the repayment of the moneys so borrowed, with interest thereon, or itself, himself or themselves, as the case may be, to advance such moneys, in which event it, he or they shall have a lien or charge upon or right of retention of the property so purchased for the amounts so advanced and interest thereon and otherwise to deal with such property and the proceeds of any sale, transfer or conveyance thereof as the Note holders may by such extraordinary resolution direct.

(viii) Power to remove the Trustee from office and to appoint a new Trustee or Trustees or an additional Trustee or additional Trustees.

(ix) Power to sanction any change whatsoever, except as provided in paragraph (s), of any provision of the Notes or of the coupons or of this indenture.

(x) Power, except as provided in paragraph (s), to assent to any compromise or arrangement by the Company with any creditor, creditors or class or classes of creditors or with the holders of any shares or securities of the Company.

(xi) Power to authorize the Trustee, in the event of the Company making an authorized assignment or a custodian or

trustee being appointed under the Bankruptcy Act or a liquidator being appointed under the Winding-up Act, for and on behalf of the Note holders, and in addition to any claim or debt proved or made for its own account as Trustee hereunder, to file and prove a claim or debt against the Company and its property for an amount equivalent to the aggregate amount which may be payable in respect of the Notes, value security, and vote such claim or debt at meetings of creditors and generally act for and on behalf of the Note holders in such proceedings as such extraordinary resolution may provide.

(xii) Power, except as provided in paragraph (s) of this § 17.01 and in § 13.01, to restrain any holder of any Note or coupon from taking or instituting any suit, action or proceeding for the purpose of realizing the security or for the execution of any trust or power hereunder or for the appointment of a liquidator or receiver or receiver and manager or trustee in bankruptcy or to have the Company wound up or for any other remedy hereunder and to direct such holder of any Note or coupon to waive any default or defaults by the Company on which any suit or proceeding is founded.

(xiii) Power, subject to the provisions of § 13.04 hereof and except as provided in paragraph (s) of this § 17.01 and in § 13.01, to direct any Note holder or Note holders bringing any action, suit or proceeding and the Trustee to waive the default in respect of which such action, suit or other proceeding shall have been brought.

(xiv) Power, in addition to the powers given to holders of Notes by § 9.02, to require the Trustee to make a declaration under the provisions of § 9.02 hereof and/or to proceed to enforce the security hereunder, but subject always to the provisions of § 9.03.

(xv) Power, except as provided in paragraph (s), to assent to any modification of or change in or addition to or omission from the provisions contained in this indenture which shall be agreed to by the Company and to authorize the Trustee to concur in and execute any indenture supplemental to this indenture em-

bodilying any such modification, change, addition or omission or any indentures, documents or writings authorized by extraordinary resolution.

(xvi) Power to appoint a committee with power and authority (subject to such limitations, if any, as may be prescribed in the resolution) to exercise, and to direct the Trustee to exercise, on behalf of the Note holders, such of the powers of the Note holders as are exercisable by extraordinary or other resolution as shall be included in the resolution appointing the committee. The resolution making such appointment may provide for payment of the expenses and disbursements of and compensation to such committee. Such committee shall consist of such number of persons as shall be prescribed in the resolution appointing it and the members need not be themselves Note holders. Every such committee may elect its chairman and may make regulations respecting its quorum, the calling of its meetings, the filling of vacancies occurring in its number and its procedure generally. Such regulations may provide that the committee may act at a meeting at which a quorum is present or may act by minutes signed by the number of members thereof necessary to constitute a quorum. All acts of any such committee within the authority delegated to it shall be binding upon all Note holders. Neither the committee nor any member thereof shall be liable for any loss arising from or in connection with any action taken or omitted to be taken by them in good faith.

The foregoing powers shall be deemed to be several and not dependent on each other and each sub-paragraph of this paragraph (n) and each power therein conferred shall, accordingly, be construed as complete in itself and not by reference to any other paragraph or power in said paragraph and the exercise of any one or more of such powers, or any combination of such powers, from time to time, shall not be deemed to exhaust the rights of the Note holders to exercise such power or powers, or combination of powers, thereafter from time to time.

*Extraordinary Resolution Defined:*

- (o) An extraordinary resolution, passed at a meeting of the Note



holders held in accordance with the provisions hereof, shall be binding upon each and every of the Note holders and their respective heirs, executors, administrators, successors and assigns whether present or absent and the Trustee (subject to the provisions for its indemnity herein contained) shall be bound to give effect thereto accordingly. The term “*extraordinary resolution*” when used herein means (subject to the provisions of paragraph (r) of this Section) a resolution adopted at a meeting of the holders of the Notes then outstanding, duly convened and held in accordance with the provisions herein contained, upon a poll by the affirmative vote of not less than seventy-five per cent (75%) of the votes given upon such poll. At a serial meeting such resolution must in addition receive the affirmative vote upon a poll of not less than seventy-five per cent (75%) of the votes given upon such poll by the holders of each series of Notes or part of any series especially affected as aforesaid.

Save as herein expressly otherwise provided, no action shall be taken at a meeting of the Note holders which changes any provision of this indenture or changes or prejudices the exercise of any right of any Note holder except by extraordinary resolution as hereinbefore provided or by written instrument as provided by paragraph (r).

*Declaration by Chairman of Result of Vote:*

(p) At any meeting of the Note holders in cases where no poll is required or requested, a declaration made by the Chairman that a resolution has been carried, or carried by any particular majority, or lost, shall be conclusive evidence thereof.

*Minutes To Be Kept:*

(q) Minutes of all resolutions and proceedings at every such meeting, as aforesaid, shall be made and duly entered in books to be provided from time to time for that purpose by the Trustee at the expense of the Company and any such minutes, as aforesaid, if signed by the Chairman of the meeting at which such resolutions were passed or proceedings had, or by the Chairman of the next succeeding meeting of Note holders, shall be prima facie evidence of the matters therein stated, and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made shall

be deemed to have been duly held and convened and all resolutions passed or proceedings had thereat to have been duly passed and had.

*Signed Instrument as Valid as Extraordinary Resolution:*

(r) Notwithstanding the foregoing provisions of this indenture, any resolution or instrument signed in one or more counterparts by the holders of not less than seventy-five per cent (75%) of the aggregate principal amount of the Notes then outstanding shall have the same force and effect as an extraordinary resolution duly passed by the Note holders under the provisions of this Article with respect to extraordinary resolutions; provided that, where the matters contained in such resolution or instrument would, if contained in an extraordinary resolution adopted at a meeting, require such meeting to be considered as a serial meeting, such resolution or instrument shall also be signed by the holders of not less than seventy-five per cent (75%) of the aggregate principal amount of the outstanding Notes of each series or part thereof especially affected thereby as aforesaid.

*Certain Modifications May Not Be Made:*

(s) No action by extraordinary resolution or otherwise shall without the consent of the holders of all Notes outstanding reduce the principal of, any premium on, or the rate of interest payable on, any Note, or postpone the date fixed in this indenture or in the Notes or coupons for the payment of the principal of, or any installment of interest on, any Note or change the character of the Notes or coupons as Senior Debt or alter or impair the security of the Notes or amend this paragraph (s) or reduce the percentage of the principal amount of the Notes the consent of the holders of which shall be required for the authorization of any change, addition or elimination mentioned in § 3.06(i) or for any waiver referred to in § 6.17.

## ARTICLE XVIII

### ADMINISTRATION OF THE TRUST AND PROTECTION OF THE TRUSTEE

§ 18.01. By way of supplement to the provisions of any Act of any of the Provinces of Canada for the time being relating to trustees and in addition to any other provision of this indenture for the relief of the Trustee, it is expressly declared as follows, that is to say:

*Advice of Experts:*

(1) The Trustee may in relation to these presents act on the opinion or advice of or information obtained from any lawyer, auditor, valuer, engineer, surveyor or other expert, whether obtained by the Trustee or by the Company, or otherwise, but shall not be bound to act upon such opinion or advice and shall not be responsible for any loss occasioned by so acting or not acting, as the case may be, and may employ such assistance as may be necessary to the proper discharge of its duties and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid. Any such advice or opinion or information may be sent or obtained by letter, telegram, radio or cablegram, and the Trustee shall not be liable for acting on any advice, opinion or information, purporting to be conveyed by any such means, although the same shall contain some error or shall not be authentic.

*Officers' Certificate:*

(2) Except where some other mode of proof is required or permitted by this indenture, the Trustee shall be at liberty to accept an Officers' Certificate (i) as to any statements of facts, as conclusive evidence of the truth of such statements and (ii) to the effect that any particular act or transaction or step or thing is, in the opinion of the persons so certifying, expedient, as sufficient evidence that such act, transaction, step or thing is expedient and may also accept a like Certificate that any expenditure made or indebtedness incurred by the Company is made or incurred for the purpose of its undertaking, as sufficient evidence that it is so made or incurred, and the Trustee shall be in no wise bound to call for further evidence or be responsible for any loss that may be occasioned by its failing to do so.

*Accountable for Reasonable Diligence:*

(3) The Trustee shall only be accountable for reasonable diligence in the management of the trusts hereof and shall not be liable for any act or default on the part of any agent or co-trustee or substitute trustee or trustees or for having permitted any agent or co-trustee or substitute trustee or trustees to receive and retain any moneys payable to the Trustee hereunder, but the Trustee shall only be liable for its own wilful acts and defaults.



*Safe Keeping of Securities:*

(4) The Trustee shall be at liberty to place all Finance Receivables and other receivables constituting part of the specifically mortgaged property and all contracts, securities, bills, notes and other documents now held or owned or which may be hereafter taken, held or owned by the Company or anyone on behalf of the Company in respect of the said Receivables or any part thereof, in any safe or receptacle selected by the Trustee, or with any banker or banking company or counsel, solicitor or attorney or firm of good repute, or other depositary in any part of Canada, or, if the Trustee thinks fit, with the manager or responsible officer of the Company or a Subsidiary in the locality where such mortgaged property may from time to time be situate, and the Trustee shall not be responsible for any loss incurred in connection with any such deposit, and the Trustee may pay out of the mortgaged property all sums required to be paid on account of or in respect of any such deposit. All Finance Receivables and other receivables constituting part of the specifically mortgaged property deposited with such a manager or responsible officer of the Company or a Subsidiary shall bear the following legend stamped thereon: "This instrument is pledged under an Indenture dated as of February 1, 1961 between Atlantic Acceptance Corporation Limited and Montreal Trust Company". The Trustee may at any time or times inspect such Finance Receivables and other receivables to insure that such legend is stamped thereon, and shall, at least once in each calendar month when any such Finance Receivables or other receivables are so deposited, inspect the procedures used in stamping such legend, and shall physically inspect a random selection of such Finance Receivables or other receivables to insure that such legend is stamped thereon, such random selection to be made by the Trustee.

*Employ Agents:*

(5) The Trustee may employ such agents and other assistants as it may reasonably require for the proper discharge of its duties hereunder and shall not be responsible for any misconduct on the part of any such agents or other assistants, and may pay reasonable remuneration for all services performed for it in the discharge of the trusts hereof without taxation of any costs or fees of any counsel, solicitor or



attorney and shall be entitled to receive reasonable remuneration for all services performed by it in the discharge of the trusts hereof and compensation for all disbursements, costs, liabilities and expenses made or incurred by it in the discharge of its duties hereunder and in the management of the trusts hereof and all such remuneration, disbursements, costs, liabilities and expenses made or incurred by it in the discharge of its duties hereunder and in the management of the trusts hereof and all such remuneration, disbursements, costs, liabilities and expenses, and all remuneration and expenses incident to the preparation, execution and recording of this indenture or of any instrument ancillary or supplemental hereto and the preparation, execution and issue of the Notes whether done or incurred at the request of the Trustee or the Company shall bear interest at the rate of seven per cent (7%) per annum from the date of the same being incurred, expended or becoming due and shall be payable on demand and together with such interest are hereby declared to be secured hereby and to be a charge upon the mortgaged property prior to the charge of the Notes.

Wherever by this indenture the Trustee is authorized to employ or consult counsel, solicitors or attorneys and to pay costs secured by the lien hereof, such costs need not be taxed unless the Trustee shall deem it necessary to tax the same, but may be fixed by the Trustee and paid as a lump sum. No costs paid by the Trustee under the provisions of this Section in good faith shall be disallowed in the taking of any accounts by reason only of the fact that such costs are greater than they might have been if taxed, or by reason of their not being taxed, but such costs so paid by the Trustee shall, if not improperly incurred by it, be allowed and paid to the Trustee and be secured by the lien of this indenture in priority to the Notes. Without limiting the foregoing provisions, any and all costs taxed against the Company may be taxed as between solicitor and client and not party and party, and shall be payable by the Company accordingly and secured by the lien of this indenture. Any counsel, solicitors or attorneys employed or consulted by the Trustee may, but need not be, counsel, solicitors or attorneys for the Company.

*Not Bound to Give Notice:*

(6) The Trustee shall not be bound to give notice to any person of

the execution hereof or of the charge of this indenture, unless and until the security hereby constituted shall have become enforceable and the Trustee shall have determined or become bound to enforce the same.

*Discretion as to the Exercise of Powers:*

(7) The Trustee except as herein otherwise provided shall, as regards all the trusts, powers, authorities and discretions vested in it, have absolute and uncontrolled discretion as to the exercise thereof, whether in relation to the manner or as to the mode of and time for the exercise thereof, and, in the absence of fraud, it shall in no wise be responsible for any loss, costs, damages or inconveniences that may result from the exercise or non-exercise thereof.

*Trustee May Deal in Notes:*

(8) The Trustee may buy, sell, lend upon and deal in the Notes, either with the Company or otherwise, and generally contract and enter into financial transactions with the Company or otherwise, without being liable to account for any profits made thereby.

*Not Liable for Defects of Title:*

(9) The Trustee shall not be liable for or by reason of any failure or defect of title to or any lien, charge or encumbrance upon the mortgaged property or for or by reason of the statements or implications of fact or law contained in or arising out of anything contained in this indenture or in the Notes or coupons or be required to verify the same, but all such statements or implications shall be deemed to have been made by the Company only, and it shall not be the duty of the Trustee, and nothing herein contained shall in any wise cast any obligation upon the Trustee, to see to the registration or filing or renewal of this indenture, or any other indenture or writing by way of mortgage, hypothec, pledge, charge, cession or transfer of or upon the mortgaged property or any part thereof, or upon any other property of the Company or to procure any local mortgage, hypothec, pledge or charge or other additional instrument of further assurance or to do any other act for the continuance of the lien or charge hereof or for giving notice of the existence of such lien or charge or for extending or supplementing the same, or to insure or keep insured against loss or

damage by fire or otherwise the mortgaged property or any part thereof, or to keep itself informed or advised as to the payment by the Company of any taxes or assessments or premiums of insurance or other payments which the Company should make or to require such payments to be made, it being hereby agreed and declared that as to all matters and things in this paragraph (9) referred to, the duty and responsibility shall rest upon the Company and not upon the Trustee and the failure of the Company to discharge such duty and responsibility shall not in any way render the Trustee liable or cast upon it any duty or responsibility for breach of which it would be liable.

*Trustee Not Bound Until Security Becomes Enforceable:*

(10) Except as otherwise specifically required in this indenture, the Trustee shall not be bound to do, observe or perform or see to the observance or performance by the Company of any of the obligations herein imposed upon the Company or of the covenants on the part of the Company herein contained, nor to take any steps to enforce the security hereof, nor in any way to supervise or interfere with the conduct of the Company's business, unless and until the security hereby created shall have become enforceable and the Trustee shall have determined or become bound to enforce the same and unless the Trustee shall have been required to do so in writing by the holders of not less than twenty-five per cent (25%) of the aggregate principal amount of the Notes or by a resolution of the Note holders passed in accordance with the provisions contained in Article XVII of this indenture, and then only after it shall have been indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

*May Delegate Powers:*

(11) The Trustee may delegate to any company or person the performance of any of the trusts and powers vested in it by this indenture, and any such delegation may be made upon such terms and conditions and subject to such regulations, not including, however, any power to sub-delegate, as the Trustee may think to be in the interests of the Note holders.



*Certification of Resolutions:*

(12) The Trustee shall accept a certificate under the corporate seal of the Company signed by the Secretary or an Assistant Secretary of the Company as sufficient evidence of the passage of any resolution of the Directors or of the shareholders of the Company.

*Trustee Not Bound to Act on Company's Request:*

(13) The Trustee shall not be bound to act as hereinbefore provided in accordance with any Officers' Certificate or other direction or request of the Company or of the Directors until a duly authenticated copy of the Officers' Certificate or other instrument or resolution containing such direction or request shall have been delivered to the Trustee, and the Trustee shall be fully empowered to act and shall be fully protected from all liability in acting upon any instruments purporting to be proper Officers' Certificates or other certificates or copies of resolutions of the Directors or shareholders and believed by the Trustee to be genuine.

*Trustee Not Responsible for Validity of Actions of Officers:*

(14) The regularity and validity of all Officers' Certificates and all other acts, consents, requests and directions of the Directors or of any officer of the Company shall be deemed for the protection of the Trustee to be conclusively proven by a certificate signed by any person or persons being, or by the Trustee believed to be, the officers of the Company purporting to sign the same, or the solicitor for, the Company. The Trustee shall not be responsible for any error made, or act done by it, resulting from reliance upon the Company's seal or upon the identity, official position or signature of any officer or director of the Company, or of any person on whose signature the Trustee may be called upon to act or refrain from acting under this indenture.

*Trustee Not Liable for Allowing Company to Retain Possession:*

(15) The Trustee shall not incur any liability or responsibility whatever in consequence of permitting or suffering the Company, its successors or assigns, to retain or to be in possession of any part of the mortgaged property (other than cash, bills, notes, receivables and other obligations deposited or required to be deposited with the Trus-



tee), and to use and enjoy the same unless herein expressly otherwise provided; nor shall the Trustee be or become responsible or liable for any destruction, deterioration, loss, injury or damage which may be done or occur to the mortgaged property by the Company, its agent or servants, or by any other person or corporation, or be in any way responsible for the consequence of any breach on the part of the Company of any of the covenants herein contained or of any acts of the agents or servants of the Company.

*Appointment of Trustee as Attorney of Company:*

(16) The Company hereby irrevocably appoints the Trustee to be the attorney of the Company in the name of and on behalf of the Company to execute and do all deeds, transfers, conveyances, assignments, assurances and things which the Company ought to execute and do and has not executed or done under the covenants and provisions contained in this indenture, and generally to use the name of the Company in the exercise of all or any of the powers hereby conferred on the Trustee.

## ARTICLE XIX

### EVIDENCE OF RIGHTS OF NOTE HOLDERS

§ 19.01. Whenever in this indenture it is provided that the holders of a specified percentage in aggregate principal amount of the Notes may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action) the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by Note holders in person or by attorney or proxy appointed in writing, or (b) by the record of the holders of Notes voting in favor thereof at any meeting of Note holders duly called and held in accordance with the provisions of Article XVII, or (c) by a combination of such instrument or instruments and any such record of such a meeting of Note holders. Proof of the execution of any such request or other instrument or of a writing appointing any such

attorney or (subject to the provisions of paragraph (1) of § 17.01 with regard to voting at meetings of Note holders) of the holding by any person of Notes or coupons shall be sufficient for any purpose of this indenture if made in the following manner:

(a) The fact and date of the execution by any person of such request or other instrument or writing may be proved by the certificate of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded at the place where such certificate is made, that the person signing such request or other instrument or writing acknowledged to him the execution thereof or by any affidavit of a witness of such execution or in any other manner which the Trustee may consider adequate.

(b) The fact of the holding by any person executing such request or other instrument of Notes transferable by delivery and the amounts, designations and numbers thereof and the date of his holding the same may be proved by deposit of such Notes with the Trustee or by a certificate executed by any bank, trust company or other depository (who may be a holder of such Notes in cases approved by the Trustee) satisfactory to the Trustee, wherever situated, if such certificate shall be deemed by the Trustee to be satisfactory, certifying that on the date therein mentioned such person had on deposit with such depository the Notes designated in such certificate and that such Notes will remain so deposited until a date specified therein or until the surrender or cancellation of the certificate.

The Trustee may, nevertheless, in its discretion, require further proof in cases where it deems further proof desirable or may accept such other proof as it shall consider proper.

The ownership of registered Notes shall be proved by the registration books hereinbefore mentioned.

The Trustees shall not be bound to recognize any person as a holder of a Note transferable by delivery unless and until his title therein is proved as hereinbefore provided in this Section or in such other manner as the Trustee may consider sufficient.

## ARTICLE XX

## ACCEPTANCE OF TRUST BY TRUSTEE

§ 20.01. The Trustee hereby accepts the trusts in this indenture declared and provided and agrees to perform the same upon the terms and conditions hereinbefore set forth.

## ARTICLE XXI

## PAYING AGENTS

§ 21.01. Wherever in any Note or coupon or in this indenture any reference is made to any bank or paying agent of the Company, the same shall be read to extend to and include the successors and assigns of such bank or other paying agent.

## ARTICLE XXII

## COUNTERPARTS

§ 22.01. This indenture may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument and notwithstanding their date of execution shall be deemed to bear date as of the first (1st) day of February, one thousand nine hundred sixty-one (1961).

## ARTICLE XXIII

## TRUST DEED OF HYPOTHEC, MORTGAGE AND PLEDGE

§ 23.01. If at any time any mortgaged property is situated in the Province of Quebec, the Company, in conformity with the laws of the Province of Quebec, will sign and execute in notarial form, a trust deed of hypothec, mortgage and pledge hypothecating, mortgaging, pledging and charging and ceding and transferring all its undertaking, property and assets situate in the said Province of Quebec as security for the Notes, such trust deed of hypothec, mortgage and pledge to be substantially in the same tenor and to the same effect as this indenture, and the said trust deed of hypothec, mortgage

and pledge and this indenture shall constitute and be read as one and the same instrument.

## ARTICLE XXIV

### MISCELLANEOUS PROVISIONS

§ 24.01. All the covenants, stipulations, promises and agreements in this indenture contained by or in behalf of the Company shall bind its successors and assigns, whether so expressed or not.

§ 24.02. The Company by instrument in writing executed by authority of a majority of its Directors and delivered in duplicate to the Trustee may surrender any of the powers reserved to the Company and thereupon such power so surrendered shall terminate both as to the Company and as to any successor company.

§ 24.03. The Trustee shall from time to time furnish the Company or any other person, firm or corporation on the direction of the Company with the certificate of the Trustee stating, if such then be the case, that the Trustee shall not then have determined or become bound to enforce the security constituted by this indenture, which certificate shall be deemed to be conclusive and binding on all parties in interest for the purposes of this indenture.

§ 24.04. In any case where the date of maturity of interest or principal of the Notes or the date of redemption of any Note shall be a Sunday or a legal holiday, or a date on which banking institutions are authorized by law to close, in the city in which a Note or coupon is duly presented for payment then payment of interest or principal (and premium, if any) may be made on the next succeeding day not a Sunday or a legal holiday, or a date on which banking institutions are authorized by law to close, in such city with the same force and effect as if such payment had been made or such Note or coupon surrendered on the nominal date of maturity or redemption, and no interest shall accrue for the period after such nominal date.

§ 24.05. In case, by reason of the temporary or permanent suspension of publication of any newspaper, or by reason of any other



cause, it shall be impossible to make publication of any notice required hereby in a newspaper as herein provided, then such publication or other notice in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice. Such publication or other notice shall, so far as may be, approximate the terms and conditions of the publication in lieu of which it is given.

§ 24.06. In case any one or more of the provisions contained in this indenture or in the Notes or coupons shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this indenture or of such Notes or coupons, but this indenture and such Notes or coupons shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein or therein.

§ 24.07. With respect to the exercise, performance or discharge by any paying agent or registrar of the Company within the United States of America of any of its rights, powers, duties or responsibilities hereunder, the provisions of this indenture and of the Notes relating thereto shall be construed in accordance with the laws of the State of New York and the laws of the United States of America applicable therein; provided, that the foregoing provision shall not be applicable to any proceedings which may be brought or instituted by or on behalf of the Trustee, in Canada for the enforcement of any rights or remedies hereunder. In all other respects, this indenture and each and every provision hereof and of the Notes shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

IN WITNESS WHEREOF the parties hereto have executed this indenture under their respective corporate seals and the hands of their proper officials duly authorized in that behalf.

## ATLANTIC ACCEPTANCE CORPORATION LIMITED

By C. P. MORGAN

*President*

Witness:

J. R. MOFFAT

B. L. McFADDEN

*Assistant Secretary*

(SEAL)

## MONTREAL TRUST COMPANY

By D. B. MACKLAIER

*Assistant Manager*

Witness:

J. R. MOFFAT

D. H. SMELE

*Assistant Secretary*

(SEAL)

THE FIRST SCHEDULE

FORMS OF NOTES OMITTED

## THE SECOND SCHEDULE

FORM OF SUBORDINATION PROVISIONS FOR INSTRUMENT CREATING  
SUBORDINATED DEBT

*Subordination.* Anything herein or in the (name of security) to the contrary notwithstanding, the indebtedness evidenced by the (name of security) shall be subordinate and junior in right of payment, to (specify one or more types of debt to which this debt is to be subordinated, herein called "Senior Debt") of the Company, to the extent and in the manner hereinafter set forth:

(a) In the event of any payment or distribution of assets of the Company upon any dissolution or winding up or liquidation or scheme of arrangement (or reorganization equivalent thereto) of the Company or under receivership proceeding, whether pursuant to the Companies' Creditors Arrangement Act, the Bankruptcy Act, the Winding-up Act, or any bankruptcy, insolvency or analogous law, of Canada or the United States, or of any province or state thereof, or otherwise, or in the event of any assignment for the benefit of creditors or any other marshalling of assets and liabilities of the Company for the benefit of creditors, or in the event of any proceedings for voluntary liquidation, dissolution or winding up of the Company, whether or not involving bankruptcy or insolvency, then the holders of Senior Debt shall be entitled to receive payment in full of all principal and interest on all Senior Debt before the holders of (name of security) are entitled to receive any payment on account of principal or interest upon (name of security), and to that end (i) the holders of Senior Debt shall be entitled to receive for application in payment thereof any payment or distribution of any kind or character, whether in cash or property or securities, which may be payable or deliverable in any such proceedings in respect of (name of security), except securities which are subordinate and junior in right of payment to the payment of all Senior Debt then outstanding, and (ii) subject to the payment in full of all Senior Debt, the holders of (name of security) shall be subrogated (equally and ratably with the



holders of Subordinated Debt entitled to like rights of subrogation) to the rights of the holders of Senior Debt to receive all payments or distributions of assets of the Company applicable to the Senior Debt until (name of security) shall be paid in full and no such payments or distributions to the Senior Debt shall, as between the Company, its creditors (other than the holders of Senior Debt) and the holders of (name of security), be deemed to be a payment by the Company to or on account of (name of security); it being understood that the provisions of this section . . . are and are intended solely for the purpose of defining the relative rights of the holders of (name of security) on the one hand, and the holders of the Senior Debt, on the other hand, and nothing contained in this section . . . or elsewhere in this (title of instrument) or in (name of security) (except as expressly provided herein for the benefit of the Senior Debt only) is intended to or shall impair, as between the Company, its creditors (other than the holders of Senior Debt), and the holders of (name of security), the obligation of the Company, which is unconditional and absolute, to pay to the holders of (name of security) the principal, premium, if any, and interest on (name of security) as and when the same shall become due and payable in accordance with their terms, or to affect the relative rights of the holders of (name of security) and creditors of the Company other than the holders of Senior Debt; nor shall anything herein or therein prevent the holder of any (name of security) from exercising all rights and remedies under this (title of instrument) or otherwise permitted by applicable law upon the occurrence of an Event of Default, subject to the rights, if any, under this section . . . of holders of Senior Debt to receive cash, property or securities otherwise payable or deliverable to holders of (name of security).

(b) In the event of any default in the payment of the principal (including any sinking fund payments or required prepayments) of or interest on any Senior Debt and during the continuance of any such default, no amount shall be paid by the Company, nor shall the holders of (name of security) be entitled to receive any amount, in respect of the principal of or interest on any (name of security).

(c) No present or future holder of Senior Debt shall be prejudiced in his right to enforce subordination of (name of security) by any act or failure to act on the part of the Company.

(d) Each holder of (name of security) by his acceptance thereof irrevocably appoints the Company his agent and attorney-in-fact for the purpose of executing and delivering agreements of subordination with provisions substantially identical in effect to the foregoing provisions of this section . . . . in favour of the holders of all present and future Senior Debt, and their successors in interest. The Company shall keep on file at its principal office in Toronto, Canada, copies of all such agreements of subordination executed and delivered by it pursuant to this section and such copies shall be open to inspection by any of the holders of (name of security), of other Subordinated Debt or of Senior Debt at such office during regular business hours.

THE THIRD SCHEDULE

CERTIFICATE OF THE COMPANY PURSUANT TO § 6.12(1) OF INDENTURE  
PROVIDING FOR ISSUANCE OF AND SECURING SENIOR NOTES  
DATED AS OF FEBRUARY 1, 1961

ATLANTIC ACCEPTANCE CORPORATION LIMITED hereby certifies,  
pursuant to § 6.12(1) of the Indenture dated as of February 1, 1961  
(the terms used herein having the meanings specified in such Inden-  
ture), that, as of . . . . ., 19 . . . :

(1) The aggregate amount of indebtedness owing on Finance  
Receivables delivered to and pledged with the Trustee or a  
depository designated by the Trustee is \$ . . . . .

(2) The amount of Delinquent Accounts included in the  
Finance Receivables so pledged is \$ . . . . .

(3) Not more than . . . % of the principal amount of Finance  
Receivables so pledged consists of Receivables each having an  
original principal amount of more than U. S. or Canadian \$15,000.

(4) Not more than . . . % of the principal amount of the  
Finance Receivables so pledged consists of Receivables arising  
from areas of the Finance Business other than the financing of  
automobiles, consumer appliances, soft goods, accounts receiv-  
able or inventories or the making of personal loans.

(5) The amount of Repledge Deficiency applicable to  
Finance Receivables so pledged is \$ . . . . .calculated as  
follows: [*here set out calculation*].

(6) 115% of (a) the cash and (b) the market value of bonds  
or other evidences of indebtedness permitted by § 8.03(2) in the  
hands of the Trustee is \$ . . . . .

(7) The amount of Notes other than Short Term Notes out-  
standing is \$ . . . . .

(8) The amount of Short Term Notes outstanding is \$ . . . . .,  
of which \$ . . . . .is pledged to the Company's bankers to  
secure current indebtedness of \$ . . . . .and of which \$ . . . . .  
is held by the Company's bankers to evidence and secure current  
indebtedness of \$ . . . . .

(9) No default exists in the performance of the covenants of § 6.12(1) [*state exceptions if any*].

**The following additional paragraphs contained in the Fourth Supplemental Indenture shall be added to the Certificate so long as any of the Series J to Series Q Notes are outstanding.**

(10) The aggregate principal amount of Finance Receivables so pledged having in each case an original principal amount of more than U.S. or Canadian \$15,000 does not exceed \$.....

(11) The aggregate principal amount of Finance Receivables so pledged arising from areas of the Finance Business other than the financing of automobiles, consumer appliances or soft goods or the making of personal loans does not exceed \$.....

(12) The aggregate principal amount of Finance Receivables so pledged arising from areas of the Finance Business in respect of house trailers, shell homes, ready built homes, and steel buildings does not exceed \$.....

(13) The aggregate principal amount of Finance Receivables so pledged arising from leases of automobiles, trucks or automotive or other equipment does not exceed \$.....

(14) The aggregate principal amount of Finance Receivables so pledged arising from construction loans does not exceed \$.....

(15) The aggregate principal amount of Finance Receivables so pledged arising from factoring of trade receivables and other inventories (other than consumer receivables) does not exceed \$.....

(16) The aggregate principal amount of Finance Receivables so pledged arising from financing capital requirements of dealers engaged primarily in selling automobiles, consumer appliances and other durable personal property does not exceed \$.....



(17) The largest aggregate principal amount of Finance Receivables so pledged in respect of any single obligor (other than a Subsidiary) does not exceed \$500,000.

(18) Consolidated Net Worth at the date of this certificate is \$.....

WITNESS the corporate seal of said Company under the hands of its proper officers duly authorized in that behalf.

Dated....., 19....

ATLANTIC ACCEPTANCE CORPORATION LIMITED

By.....

.....

THE FOURTH SCHEDULE  
DEPOSIT FORM

The Receivables briefly described herein or in the schedule annexed hereto are Finance Receivables as that term is defined in the Indenture dated as of February 1, 1961 between Atlantic Acceptance Corporation Limited and Montreal Trust Company, Trustee, and are delivered by Atlantic Acceptance Corporation Limited (or a specified Subsidiary) to Montreal Trust Company, Trustee, under and pursuant to the provisions of § 3.01 thereof.

Dated:....., 19....

ATLANTIC ACCEPTANCE CORPORATION LIMITED  
(or a specified Subsidiary)

By.....  
*Authorized Officer*

[Herein set out brief description of each Finance Receivable or, if impractical, of each class of Finance Receivables.]

# **APPENDIX L**

**Submissions of  
Institute of Chartered Accountants  
of Ontario**





# **SUBMISSION TO THE ROYAL COMMISSION ON ATLANTIC ACCEPTANCE CORPORATION LIMITED BY J. G. ARTHUR, F.C.A., BEING AN OUTLINE OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND AUDITING STANDARDS AND PROCEDURES AS THEY RELATE TO CERTAIN BUSINESS ENTERPRISES.**

## **INTRODUCTION**

Some time ago, Mr. Commissioner, you requested the Institute of Chartered Accountants of Ontario to submit to you its views and opinions on certain aspects of accounting and auditing. A committee of the Institute, of which I was appointed Chairman, was formed to consider the matter. In view of the fact that accounting and auditing are, to a considerable extent, fields of art rather than science so that views and opinions relating to the various aspects thereof may vary somewhat with the result that it is difficult, if not impossible, to present joint views and opinions of a large body such as the Institute, it was decided, with your concurrence, that instead of the Institute attempting to speak as a body it would assign the various specific topics concerned among several of its members and have each such member submit to the Commission his views and opinions on the topics so assigned to him and that I would submit my views and opinions on some general aspects of accounting and auditing which it was felt might be of some assistance to you in the conduct of the Inquiry.

The submissions of those to whom the various specific topics were assigned are presented herewith and my own submission follows herewith.

“Generally Accepted Accounting Principles” and “Auditing Standards and Procedures” are both subjects that could be discussed at considerable length, but it is not practicable in the present circumstances to do more than deal with them in general outline. Further, the comments which follow will be confined to business enterprises organized for profit other than banks, trust companies and insurance companies.

## **GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**

Under the provisions of the Canada Corporations Act and of the Ontario Corporations Act, the auditor of a company in reporting to the shareholders on the annual financial statement is required to state, among other things, whether in his opinion such statement is presented in accordance with generally accepted accounting principles. Even before its introduction into corporate legislation in Canada, the term “Generally Accepted Accounting Principles” had wide usage amongst

## APPENDIX L (Continued)

accountants and others. The term has been defined in "Terminology for Accountants", published by The Canadian Institute of Chartered Accountants, as:

A body of concepts which have evolved over the years as the basis of sound accounting (usually together with rules, conventions and practices recognized as appropriate methods of applying such basic concepts in particular circumstances). The term is not used in the sense of hard and fast rules but rather of rules of general application which provide guides in the selection of accounting methods appropriate in particular circumstances.

The body of concepts referred to in the definition has not been set down in any formal way in Canada up to the present time, although a study on "Generally Accepted Accounting Principles" is presently being carried out under the auspices of the Accounting and Auditing Research Committee of The Canadian Institute of Chartered Accountants.

In spite of the lack of a precise description of the body of concepts referred to in the definition, there are certain basic concepts which, in my opinion, are generally recognized by accountants in Canada and they are as follows:

1. Accounting records and the related periodic financial statements, unless there are reasonable grounds to believe otherwise, are prepared on the assumption that an enterprise will continue to be a going concern and, therefore, there is no attempt, in such circumstances, to state all assets at realizable values.
2. Accounting transactions are initially recorded at cost.
3. Current assets generally are carried at the lower of (1) cost or exchange value plus accrued income or (2) net realizable value. For example, in the case of assets such as notes and accounts receivable, bonds and other investments which produce periodic income, say in the form of interest, such income is accrued on a periodic basis even though the amount involved may not be due and receivable at a given date. Thus, in such circumstances the carrying value of a note, a receivable or bond may be stated at its original cost or exchange value plus accrued income yet to be collected, less any allowance necessary to provide for anticipated loss on realization.
4. In determining accounting income, costs incurred to earn revenues should be matched against such revenues.
5. In the determination of periodic accounting income, proper accrual is made for all costs and revenues, whether or not they have been settled in cash.
6. In measuring accounting income, items of relative insignificance may be ignored.

Some further comment on the foregoing concepts may be of interest.

### **Concept 1 — The Going Concern**

Accounting records and the related periodic financial statements, unless there are reasonable grounds to believe otherwise, are prepared on the assumption that an enterprise will continue to be a going concern. That is to say, that the assets appearing on a balance sheet are not all valued on the basis of what they would realize in the event that they all had to be converted into cash, say, on the day after the date of the balance sheet. Rather the assets are a mixture of (1) items such as cash and receivables which are carried at their exchange value or estimated liquidity value, (2) other items, for example inventories, which are not, in the aggregate carried at more than their liquidity value assuming that there is an orderly liquidation in the ordinary course of business and (3) an accumulation of costs incurred for the benefit of future financial periods, such as the unamortized cost of depreciable fixed assets, sundry supplies and the like, which have value to an enterprise as a going concern but which may not have intrinsic value outside the enterprise.

### **Concept 2 — The Meaning of Cost**

Cost in accounting terms means the value established between two parties bargaining at arm's length. In the case of transactions between parties not bargaining at arm's length and where the parties are part of a group of companies presenting consolidated financial statements, the non-arm's length values are customarily looked through and the results of the transactions are presented on the basis of original cost to the group.

Where financial statements are presented for an entity alone, whether or not it is part of a group of companies, and where the values established on a non-arm's length basis are reasonable in terms of fair market value at the particular time, it is not customary to look through the transaction. In the event that the transaction is not reasonable in terms of fair market value, then serious consideration must be given to the propriety of describing such transactions as being at cost.

### **Concept 3 — Valuation of Current Assets**

The valuation of accounts and notes receivable presents one of the more difficult problems in valuing current assets. These assets are normally recorded at face amount less an allowance for accounts of doubtful collectibility. The calculation of the allowance may be made on the basis of the condition of individual accounts. Alternatively, particularly in the case of situations where there are numerous accounts, and these, in any one enterprise, may often run into the hundreds of thousands, the allowance may be computed on the basis of the aggregate ageing of the accounts, with a percentage allowance of the past due accounts being made on the basis of prior collection experience.



**Concepts 4 and 5 — The Matching Process and Accruals**

These two concepts are interrelated in that, in order to match costs and revenues, it is first necessary to accrue costs and revenues.

Generally, in the case of an ordinary commercial sale, revenue is considered to arise when an enforceable contract is deemed to be made, even though there has not been a cash settlement. In most circumstances, it is a relatively easy matter to determine the point at which revenue arises. In some situations, however, where goods and services may be billed on an instalment basis, the amounts to be billed may be determined on the basis of the passage of time which may not coincide with the earning of revenue.

The calculation of costs in the matching process generally presents greater difficulties than the determination of revenues. As costs are incurred they may or may not give rise to an expense which relates to the particular period in which they occur. If they do have continuing value to an enterprise, it would be improper to write these off in the year that they were incurred. Otherwise it would result in understatement of income in the initial year with a corresponding overstatement in subsequent years. Conversely, certain expenses may be incurred after revenue is considered to arise. For example, goods sold under warranty may give rise to costs some time after a sale has been made. In either case, under the concept of matching costs and revenues, it can be seen that the periodic expenses are subject to some degree of estimation. In the case of warranty expense, while past experience may provide guidelines as to future expenses, until the warranty period expires the expense cannot be determined with finality.

Perhaps the most common example of the matching procedure is the amortization (depreciation) of the cost of fixed assets, such as buildings, against revenues over a period of years. As long as the fixed assets remain useful they will make their contribution towards the earning of revenues and it is appropriate that each financial period should bear its proper share of the cost of such assets. The basis on which costs will be amortized becomes a matter of the choice of the most appropriate method in the circumstances. The use of different methods can result in differing reported net incomes for a given period in two enterprises which might appear to be considered comparable. This may appear to be anomalous, but in fact, no two business enterprises are the same and each different enterprise needs to be considered in light of its particular circumstances.

Under the matching process it follows that it is considered proper to defer costs incurred which will relate to future revenue and to show them on the asset side of the balance sheet and likewise to record as accrued liabilities, expenses related to the earning of current revenues which will not be settled until some future period.



## **APPENDIX L (Continued)**

It has been said that the profit or loss realized in an enterprise can only be determined with complete accuracy at the end of the life of the enterprise. However, as most corporate enterprises are operated on the premise that they will have an indefinite existence, it follows that profit or loss must be determined on a periodic basis and that determination, as evidenced by some of the foregoing examples, involves to a considerable degree the use of estimates as to the future outcome of ongoing transactions.

### **Concept 6 — Materiality**

In the determination of accounting income, it is neither practicable nor sensible to be concerned with immaterial matters. Accordingly, financial statements must be read in light of the concept that items of relative immateriality are often ignored. For example, it is often not practicable in a manufacturing company to keep track of items which may be of minor significance, such as certain factory supplies and stationery. Items of this nature are often charged as an expense when purchased, even though they may have value to the business in a future financial period.

## **AUDITING STANDARDS AND PROCEDURES**

Both the Canada Corporations Act and the Ontario Corporations Act provide for the appointment of an auditor by the shareholders of a company. In each case, he is required to make such examination as is necessary to enable him to report to the shareholders as to whether, in his opinion, the annual financial statement presents fairly the financial position of the company at the end of the financial year and the results of operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year. He is also required to make comment in his report if certain prescribed conditions are not met. He is entitled to have access to all books, records and documents. He may be required to and he is entitled to attend meetings of the shareholders.

The foregoing are the sum of the auditor's statutory duties and rights under the above mentioned acts. If he has reservations as to, or if he disagrees with, the form or content of the financial statement he cannot change it. He can only state in his report the extent of his reservations or disagreement. The financial statement is clearly that of the company and is not that of the auditor and the prime responsibility for the statement rests with the directors. An auditor may, as part of his review of the system of internal check and control, offer suggestions to management for improvement. In addition, an auditor because of his special knowledge of a client's affairs and his wide experience in other fields may render useful service to his client in such fields as taxation

and management consulting. However, it is not part of the auditor's duty to state whether a business is badly or well run.

If an auditor has occasion to qualify his report, it usually represents a fairly serious step and the shareholders should not take a qualification lightly. In practice, qualifications are relatively uncommon because in most cases, as the result of prior discussion between management and the auditor, the matter, which otherwise might have been the subject of a qualification, has been dealt with to the satisfaction of the auditor.

As indicated, under a statutory appointment, an auditor is required to make such examination as will enable him to express an opinion on the fairness of the annual financial statements. What attributes does an auditor require to discharge his duties and what steps does he ordinarily take to put himself in a position to express an opinion? An auditor holds himself out as an expert and, therefore, he must have technical competence and experience equal to the duties he undertakes to perform and these duties must be carried out on an objective basis.

The procedures followed by an auditor will be varied and will be conditioned, amongst other things, by the circumstances relating to the maintenance of a client's accounts. Many public companies in Canada have multiplant operations and in addition, they may have a number of branch sales or service offices spread throughout the country and often at points outside of Canada. Some companies have thousands of employees and the number of individual transactions taking place annually may run into the millions. In such circumstances, even if an auditor could examine each and every transaction, which is obviously impracticable, the cost to the company of such an examination would be prohibitive. Therefore, the auditor must adopt other methods to enable him to express an opinion on the financial statements.

Usually, the first step taken by an auditor is to review the system of internal check and control in operation in order to satisfy himself that it is reasonably effective for the purpose of preventing, or failing that, of bringing to light errors, omissions and malfeasance and that it will adequately safeguard the company's assets. An ideal system of internal check and control provides that the work of one person is subject to check at all times by the work of another person and that no one person is in a position to initiate or control a transaction within a company without it being subject to review at one or more points by another person. After the auditor has evaluated the system and if he is generally satisfied with its effectiveness, he will normally carry out certain tests to see that the system is operating as it should. Such tests are often made on the basis of statistical sampling or by selecting a block of transactions. Providing that the items which are being tested are selected with care and that no major errors or omissions are revealed, he should be entitled to rely on the system to give him the necessary assurance that there has been no major misstatement of the underlying

detailed transactions. If the system is not satisfactory, he must give consideration to extending his tests in order to obtain the necessary degree of assurance. Where there is little or no internal control, the auditor may have to consider whether by broadening the scope of his examination he can put himself in a position to render an opinion on the financial statements. In ordinary circumstances, a company's first line of defence against error and fraud is the system of internal check and control and it is not reasonable to expect the auditor to be responsible for bringing error and fraud to light. In practice the auditor, as a result of his test examination, may well be the first person to discover error and fraud.

In addition to a review of internal control, the auditor at or near the year end will carry out an independent confirmation of assets and liabilities, usually on a test basis. This will include the confirmation of bank balances, the independent circularization, on a test basis, of debtors and sometimes of creditors, the observation and test counts of physical inventories, the examination of the books of account and of certain supporting documentary evidence and discussions with certain officers and employees of the company. Finally, the balances in the books of accounts, after having been test vouched, test posted and test added will be checked forward to the financial statements which are to be presented to the shareholders.

After having carried out various audit steps, some of which have been outlined previously, and providing nothing has come to his attention which should have aroused his suspicion or which would cause him to raise a qualification in his report, the auditor is in a position to express an opinion to the effect that the financial statement does present fairly the financial position and the results of operations and thus he will have discharged his duty. It is noted that the auditor does not state that the statement is "correct". As indicated by previous comment, the determination of the financial position and results of operations is based on a variety of accounting concepts and, in particular, having regard to the concept of materiality, it follows that the use of the word "correct" implies a degree of precision which is not supported by the underlying circumstances.

The auditor does not originate, nor is he a party to, any of the underlying transactions. His position is one of examination and review. Accordingly, an auditor is not in a position to certify facts nor can he be expected to be a guarantor. He can only offer an opinion which is based on the application of his professional skills. What, in effect, he is saying in his report is that, in his opinion, taken as a whole, the financial statement, in all material respects, presents fairly the financial position of the enterprise at the date specified and the results of operations for the financial period ended on that date, in accordance with generally accepted accounting principles.



**SUBMISSION TO THE ROYAL COMMISSION ON ATLANTIC  
ACCEPTANCE CORPORATION LIMITED BY ST. ELMO V.  
SMITH, F.C.A., RELATING TO ACCOUNTS PECULIAR TO  
FINANCE COMPANIES.**

**INTRODUCTION**

**General:**

I wish to comment on those accounts which may be considered peculiar to finance companies, or perhaps more properly, peculiarly important to finance companies. These accounts all relate to the most important asset of a finance company, namely amounts receivable from others which are usually evidenced by notes receivable secured by conditional sales contracts and so on. The accounts covered in this presentation are:

NOTES RECEIVABLE (Paragraphs 10 to 32)  
UNEARNED INCOME (Paragraphs 33 to 79)  
DEALER RESERVES, HOLDBACKS AND OTHER CREDIT  
BALANCES (Paragraphs 80 to 90)  
ALLOWANCE FOR LOSSES ON NOTES RECEIVABLE  
(Paragraphs 91 to 138)

The accounting principles relating to such accounts, the balance sheet presentation of them, and the audit procedures required to check the amounts shown on the balance sheet are also outlined.

Larger finance companies often have subsidiary companies whose operations are not directly related to the lending of money or extending of credit; for example, automobile, casualty and property insurance companies. Such subsidiary companies are not dealt with in this submission.

**Financial Statement Presentation:**

Comments on financial statement presentation are set out in the separate sections of this submission for each of the accounts covered. It should be noted that pertinent information can be disclosed either in the body of the financial statements or in notes to the financial statements as such notes are considered to be an integral part of the financial statements. Also, several finance companies now prepare detailed supplemental financial information which is available to shareholders and others on request.

**Audit Approach:**

Comments on audit procedures have been confined to those which apply particularly to the aforementioned accounts. Accordingly procedures common to normal commercial organizations have been omitted.



## **APPENDIX L (Continued)**

Specific audit steps and the extent to which each step should be applied have not been set out. These vary depending on the circumstances of each audit engagement and must be selected by a skilled auditor exercising his professional judgment.

### **Branch Audits:**

In some cases I make reference to branch examinations to be carried out by an internal auditor or by the shareholders' auditor. Most large finance companies have many branches, the majority of which originate a tremendous number of accounting entries each year. These entries are summarized at head office from data supplied by branch personnel and provide the source of the financial statement balances for notes receivable, dealers' balances and unearned income, among others. Accordingly a finance company must have well defined procedures to see that corporate policy is adhered to and checked at branch level.

In many companies the check includes test examinations by internal auditors one or more times a year. The shareholders' auditor must also carry out examinations of sufficient branches to ensure that he can rely on branch reports at the end of the fiscal period. Normally such test examinations are made at interim dates during the company's fiscal year rather than during the course of the year-end examination. Whenever possible, branch examinations by the internal auditors and by the shareholders' auditors should be carried out on a surprise basis.

### **Effect of Computers:**

The introduction of electronic data processing with the use of computers by some finance companies has already had a substantial impact, both on their accounting methods and on the auditing of their records. Computers may be expected to have an increasing effect as historical data is built up over the years.

The tremendous capacity of computers to record and sort a mass of detailed information in a relatively short time enables a finance company to assemble statistics for use in running its business, particularly in such areas as establishing an allowance for doubtful accounts or calculating the unearned income on finance contracts. In addition, by providing a degree of mechanical reliability that virtually ensures the accuracy of arithmetical calculations, the computer enables the auditor to direct the emphasis of his examination more towards the control and testing of documents of original entry and other source and input data.

## **NOTES RECEIVABLE**

There are various types or classes of notes receivable owned by a finance company.

### Sales Financing:

For a typical finance company the notes receivable having the largest dollar value comprise those with the finance charge included in the face amount of the note. Such notes arise from transactions where a dealer may sell, say, an automobile with a down payment and a conditional sales contract for the balance of the selling price; the note is formal evidence of the customer's liability on the conditional sales contract. The notes are then sold to a finance company by the dealer or vendor of the article for cash. From that time forward, and under normal circumstances, the purchaser of the item deals only with the finance company in connection with the particular purchase. Such notes are most common for conditional sale contracts covering automobiles, trucks and industrial equipment, appliances and other chattels.

In notes of this type the finance charge includes the charge for the use of money (the interest element) and other so-called service charges, which are many and varied in nature, for example insurance and registration fee.

The item financed may be new or used and the term of the note may be a few months or, say, three years. For large receivables, terms of five years and more are not uncommon. The notes are normally repayable in equal monthly instalments but larger final payments, or so-called "balloon" payments, and irregular or seasonal payments are not unusual, particularly for industrial equipment.

Purchasers of this type of note receivable normally insist that their risk be minimized by requiring a down payment by the purchaser which reduces the amount financed to not more than the wholesale price of the item securing the debt. The repayment schedule should also be designed to ensure that the principal amount from time to time outstanding is less than the expected resale price in case the item has to be repossessed. The finance company may enhance its security by having the selling dealer assume responsibility for the outstanding balance if the debtor does not pay. Thus the finance company has recourse to the dealer and such notes are called "recourse paper". On the other hand, the debt may be without recourse to the selling dealer. In either type of note the selling dealer may receive part of the finance charge but the participation would be much smaller for non-recourse paper. In the latter case the finance company takes a greater share to cover the increased risk.

The finance charge is usually quoted as a so-called "add-on" per cent per annum of the principal amount and thus the total finance charge is easily calculated as the add-on rate times the term in years. The rate will vary with the inherent risk and accordingly is higher for used equipment loans than for loans on new equipment; it will also tend to vary according to the credit standing of the customer.

**Wholesale and Capital Loans:**

Loans which bear interest on the outstanding balance are another type of debt owned by finance companies. These so-called “wholesale loans” are usually made to finance a dealer’s inventory and are secured by liens on new or used automobiles or equipment. Wholesale loans are usually made at a lower rate of interest than that applicable to instalment notes for, say, retail automobile sales, but the rate would not be less than six per cent in normal money markets and would be higher during tight money periods or for short periods of time. If the security for the wholesale loan is not sold for some time the finance company may require a partial payment to ensure that the amount borrowed does not exceed the wholesale market value of the security. The loan is normally paid off when the related security is sold. However, some dealers may convert the security, that is, sell the security and delay payment to the finance company. This creates a so-called “conversion float” which is effectively an informal working capital loan to the dealer. Usually the lenders try to discourage or prevent this practice. In any event, it must be kept under close control by finance companies because of the relatively low interest rate and the higher risk of loss on an unsecured loan.

So-called “capital” loans to dealers are another type of dealer loan. Again these are relatively low interest rate loans, usually to automobile or heavy equipment dealers, for working capital or fixed asset purchases, secured by mortgages or debentures, and normally for terms of five to ten years with blended principal and interest payments. The loans are made with the understanding that the finance company will receive retail finance business arising from sales made by the dealer.

**Small Loans:**

A further type of interest bearing loan is that made under the Small Loans Act. Such loans are for not more than a three year term with a principal limit of \$1,500 and the maximum interest rate and repayment term limited by the Act. The loans may be secured or they may be made on the strength of a promissory note only.

**Industrial Loans:**

In some cases so-called “interim financing” is provided. Typically, such a loan of relatively high dollar value might be provided to a real estate developer to finance his building programme to a stage where he could obtain advances from a prime mortgage lender. Such loans are made at a higher rate than the prime mortgage rate, represent a first charge on the security, except for postponements in favour of the prime mortgage lender as advances are received, and are usually repaid from the proceeds of the permanent mortgage or mortgages.



In addition to the aforementioned, industrial loans may be made for virtually any business enterprise. The term is controlled by the useful life of the security or the projected cash flow to be generated by the business and the interest rate varies with the risk.

### **Financial Statement Presentation of Notes Receivable:**

Because they are the prime asset of a finance company, notes receivable are usually shown as one of the first items on the balance sheet. Where there is a classification of current assets and current liabilities in the balance sheet, all of the notes are usually shown as current assets even although by their term, many may fall due more than a year hence.

Normally only assets ordinarily realizable within one year from the date of the balance sheet, or within the normal operating cycle where that is longer than a year, are classified as current assets. Thus in ordinary circumstances commercial organizations only include in current assets those accounts or notes receivable due within twelve months. Accounts or notes receivable due after twelve months are carried under long term receivables outside the current asset section. The object of this separation between current and long term in a commercial firm is to permit a comparison of current assets with current liabilities as a rough test of solvency.

The comparable test in a finance company is a comparison of total notes receivable to total borrowings. If the general pattern of maturity of notes receivable were shown in the financial statements, a comparison of debt maturity could be achieved since it is common practice to show particulars, including maturity date, of the borrowings in financial statements.

In my opinion there is considerable doubt as to whether all notes receivable of a finance company should be classified as current assets since the common practice is to classify only debt maturing within one year as current liabilities with debt maturing after one year carried under long term liabilities. The result of this treatment is to show an inflated amount for the excess of current assets over current liabilities or the net working capital position of the company. I believe that the better practice would be *not* to classify assets and liabilities by the terms "current assets" and "current liabilities" but to provide an analysis of the maturity of the notes receivable for comparison with the maturity of debt owing by the company.

In my opinion it is also preferable to segregate notes receivable into at least the two main classes of interest included and interest bearing. This division permits a meaningful comparison of unearned income with notes which include finance charges in their face value and also isolates the traditional sales finance contract debts from other



classes of notes receivable. Naturally the comparison of unearned income to notes receivable must be used with great discretion because of the variety of factors which affect this ratio. I also believe that it is preferable to show an analysis of interest bearing loans by at least wholesale, small loans, interim or short term loans and other loans due over a period of several years.

On balance, it would appear that the analysis of the notes receivable, both by class and maturity, could best be done in notes to the financial statements rather than partially on the face of the financial statements and partially in the notes.

**Audit Procedures for Notes Receivable:**

The main differences in auditing notes receivable of a finance company as compared with accounts receivable of an ordinary commercial company arise from the tremendous volume of individual notes receivable and the necessity of inspecting notes in support of the amounts recorded in the books of account. In addition to normal audit procedures for accounts receivable the following steps should be taken:

- (i) Applications for loans should be inspected to see that they have been properly processed with authorized approvals. In the case of secured notes, a proper assignment of the security should be on file and if personal guarantees are taken they should be inspected. To some extent this is also a test of the quality of the loan and should be taken into account in the assessment of the allowances for losses from bad debts as referred to later. (Paragraph 91 and subsequent.)
- (ii) Notes receivable should be inspected in support of the accounts carried on the books. Usually such notes will be held by a bank or trust company as security for bank loans or other secured borrowings. It is therefore necessary to attend at the bank and inspect a selected number of such notes since in most cases the banks are not in a position to confirm particulars of notes held by them.
- (iii) Requests for confirmation should be sent to the debtor and for contracts with finance charges included the request should be in such a form that the debtor can identify the original amount of the contract less payments made to date.

Normally the foregoing steps will need to be carried out at branch level and, because of the substantial volume, will be on a test basis. Some type of random or statistical sampling may be used for the selection of accounts for inspection and circularization. The advent of the computer in accounting for notes receivable can be very useful in selecting accounts on a random basis and printing confirmations.

## APPENDIX L (Continued)

In the case of industrial or special loans made during the year for large amounts the auditor should review *each* loan file. During his review he should satisfy himself that the loan is properly authorized and that the specified security is held. The debtor should be requested to confirm the amount and terms of the note during the course of each annual examination.

### UNEARNED INCOME

#### Description:

As previously mentioned (Paragraph 11), the major asset of a finance company is usually notes receivable with the finance charge, including the interest element, in the face amount. Repayment of these debts is usually by *equal* monthly or other periodic instalments paid over the term of each contract. Thus all of the finance charge is recorded as receivable when the contract is made but collection of the charge is deferred to the future.

In order to conform with the accounting concept of matching revenue and costs, the portion of the finance charge which has not been earned, or as it is called, the unearned income, is carried forward to future periods when it will be taken into income account to meet interest and other costs of borrowed funds, collection expenses, bad debts, and administrative expenses.

Some finance companies engage in the leasing of automobiles or equipment as part of their diversified financing programmes. In such cases a customer may be required to prepay the rental for a specified period. In this event there will be unearned income representing lease rentals paid in advance.

#### Theory of Accounting for Unearned Income:

The actual recording of unearned income on the books of account usually originates at the branch level of the finance company as part of the entry to record notes receivable. The amount of the finance charge on each contract is accumulated and recorded at head office on a daily or less frequent basis and summarized monthly for recording in the general ledger.

As an accounting technique the finance charges may either be credited entirely to earned income, with aggregate unearned income set up monthly, or they may be treated entirely as unearned income with the earned portion transferred to income monthly. The results should be identical under either method.

The transfer of unearned income to earned income should be on a basis which provides the fairest matching of revenue with the related cost of earning the revenue.

The various costs or expenses that a finance company incur do not accrue evenly over the life of a contract and, in fact, may be partly incurred before the contract is written, for example, advertising or promotional expenses. They may also extend beyond the contractual term of the contract, for example, collection expenses on overdue contracts.

On the other hand, as has already been pointed out (paragraph 13), payments are usually received on each contract in equal monthly instalments. Almost without exception the income element of each payment will not be specified in the contract and it will therefore be within the finance company's discretion to apportion the amount of each or any instalment between principal and income as a matter of its own internal policy. The apportionment of the instalment payment is therefore of considerable importance in determining the profits of accounting periods.

It should be understood that as an accounting technique the income on each instalment may be dealt with or the total unearned income originally set up at the time the contract is made may be apportioned over the life of the contract. For ease of description I have assumed that the total finance charge in each contract is apportioned over the life of the contract.

In the following summary, expenses have been broadly classified by their incidence during the term of a contract, and the apportionment of income required to provide the most desirable matching, and therefore a proper accounting profit in each period, is given.

(i) *Initial expenses:*

Initial expenses will include credit reports, introductory commission, expenses related to the acquisition of business, and preparation of initial documentation.

An amount of income equal to actual or estimated initial expenses could be brought into account in the period in which the expenses are incurred. This action is, of course, contingent on the remainder of unearned income being sufficient to cover the costs of carrying the contract over its life.

(ii) *Administration and collection costs:*

Costs of collecting instalments and maintaining the appropriate bookkeeping records will vary more with the number of instalments rather than the amount of the instalment called for in a contract.

Income to cover these costs could be brought into account in equal instalments over the term of the contract.

(iii) *Cost of money:*

Interest and other borrowing costs vary with the principal outstanding and income should be brought into account proportionately with the decline in the principal balance during the term of a contract.



**APPENDIX L (Continued)**

**(iv) *Bad debt expense:***

In addition to provision for doubtful accounts and bad debt losses, bad debt expense will include legal and repossession costs that are not recoverable and these costs could occur at any time over the life of a contract. This problem is discussed later herein (paragraphs 91 to 138).

The foregoing theoretical criteria for the apportionment of income are based on the finance charge applicable to one contract. There would be little difficulty in applying these criteria in practice if all of a company's contracts were of a similar type and for a standard term.

However, many finance companies have pursued a policy of diversification of business. This, together with the fact that there will be many contracts of varying terms, makes it generally impracticable to adopt the different bases of apportionment for each type and term of contract that the foregoing criteria would require. As a practical matter, some modification of this approach must generally be adopted although it must be emphasized that the advent of the computer should result, in the near future, in the ability to compile information which will assist management in determining more accurately the incidence of costs incurred over the term of contracts. It should also permit more refined calculations to arrive at unearned income than have been practical in the past.

**Practice in Accounting for Unearned Income:**

The following methods are among those adopted in practice to apportion unearned income to accounting periods:

**(i) *Sum of the digits method:***

The sum of the digits method, sometimes called the rule of 78, allocates income in proportion to the principal balance outstanding on a contract at each accounting date during its term.

As an illustration of the sum of the digits method and the reason why it is called the rule of 78, take a loan repayable over a twelve month period by equal instalments of principal and finance charges. On the sum of the digits method the overall finance charges in the contract would be transferred from unearned income to income account by applying the undernoted fractions to the overall finance charge amount each month:

First month	.....	12 $\frac{7}{8}$
Second	" .....	11 $\frac{7}{8}$
Third	" .....	10 $\frac{7}{8}$
Fourth	" .....	9 $\frac{7}{8}$
Fifth	" .....	8 $\frac{7}{8}$
Sixth	" .....	7 $\frac{7}{8}$
Seventh	" .....	6 $\frac{7}{8}$
Eighth	" .....	5 $\frac{7}{8}$



**APPENDIX L (Continued)**

Ninth month .....	47⁄8
Tenth     " .....	37⁄8
Eleventh  " .....	27⁄8
Twelfth   " .....	17⁄8

It will be seen that the sum of the numerators in the fractions amounts to 78. If the contract extended over a twenty-four month period, the sum of the numerators would be 300 and for six months it would be 21. However, in all such cases the sum of the digits method is still referred to as the rule of 78.

For equal monthly payment contracts over relatively short periods, say up to three years, the sum of the digits method produces results similar to those produced by the so-called actuarial method.

Under the actuarial method interest tables are used to transfer from unearned income that proportion of interest related to the principal outstanding at each payment date. For practical purposes the two methods may be considered identical, particularly for shorter term contracts.

These methods bring into income a substantial part of the finance charge in the early months of the term of a note and therefore tend to match income with those costs directly related to outstanding principal. For example, by the sum of the digits method, 42% of the finance charge is taken to income in the first three months of the term of a twelve month contract.

*(ii) Equal instalment or straight line method:*

Under the straight line method unearned income is taken up in equal monthly or periodic amounts during the term of the contract. A modification of this method is to take up income in the ratio of the cash collected to that amount of the original contract. The method is very simple but makes little or no attempt to match income with costs. It has the effect of deferring more income to the later stages of the term of a contract when expenses, particularly the interest expense related to outstanding principal, are lower.

*(iii) Average interest method:*

A further method is the average interest method whereby the amount of unearned income to be taken up is calculated by applying the average yield rate on all contracts to the aggregate of the outstanding balances receivable. For this purpose the weighted average yield rate is required to be determined at each accounting date by analysis of the finance charges applicable to all contracts then in force. The results obtained under this method may be expected to approximate those produced by the sum of the digits method but will probably entail considerably more work to maintain the accuracy of the average interest yield figure.

(iv) *Arbitrary percentage method:*

An additional method is the arbitrary percentage method whereby the amount of income to be carried forward as unearned income at an accounting date is calculated as a percentage of the outstanding balances for contracts in force. Except in the highly improbable circumstances of a static business with unchanging term and interest rates, this method requires that the percentage to be applied be calculated at each accounting date by reference to the average interest rate and average length of remaining term of the contracts then in force.

Under any of the foregoing methods an amount equal to the so-called acquisition cost may be taken to income in the month in which a contract is acquired and entered on the books. A fixed or standard amount may be used and this should represent the average initial expenses incurred on a contract. The standard needs to be reviewed regularly and adjusted to reflect any material change in the level of such expenses. It is inappropriate for the amount to be expressed as a percentage of the finance charge because the amount would thereby vary directly with the term of the contract whereas the term does not affect the amount of initial expenses. When a portion of the finance charge is taken to income immediately to cover acquisition costs, the balance should be apportioned by one of the other methods already described.

**Comments on Practice in Accounting for Unearned Income:**

Of the methods outlined, the sum of the digits method is generally regarded as providing the most suitable method by which unearned income can be determined, although it is considered by some that the method does not take sufficient income into account in the first month to cover normal initial expenses. This must be judged as a question of fact in the circumstances of any particular case.

The equal instalment method may be considered acceptable if a company has established its volume of business at a constant level and mix and provided these factors are not subject to later fluctuation. As a practical matter these conditions are rarely met. The fact is that most businesses cannot remain static and survive in the present competitive society.

The average interest method and the arbitrary percentage method are both likely to entail a considerable amount of continuous analytical work if interest rates or the general type and term of contracts are subject to change. The fact that the results, if properly calculated, will not be greatly dissimilar from those obtained by using the sum of the digits method, which is simpler to apply, suggests little practical advantage for these methods.

The practice of taking an amount equal to acquisition costs into income is appropriate in circumstances where the initial expenses are large in relation to the total expenses and do not vary greatly from one

type of contract to another. However, this practice can only be followed when the remainder of unearned income is sufficient to cover the costs of carrying the outstanding contracts over their lives. When initial expenses are such as to justify its use, and it is used in conjunction with the sum of the digits method, it probably provides what in theory is the most logical method of calculating earned and unearned income for most finance companies. When applied consistently from year to year, it should afford the most practical means of matching revenue and costs without anticipating or unduly deferring profits. It is particularly appropriate where there are direct known acquisition costs such as commissions.

In cases where collection and recording costs are significant, it would be appropriate to amend the sum of the digits method by providing for a portion of the finance charge to be taken into income on a straight line basis, at least during the early months of contracts. It is during such early months that probable collection problems are recognized in a well managed finance company.

### **Financial Statement Presentation of Unearned Income:**

In the balance sheet of a finance company unearned income is sometimes deducted from notes receivable in the asset section of the balance sheet and is sometimes shown as a deferred credit between the liabilities and shareholders' equity sections.

Where significant, the amount of prepaid lease rent, referred to in Paragraph 35, should be shown separately from unearned finance charges.

The practice of deducting unearned finance charges from notes receivable has received authoritative support from professional accounting bodies in the United States and in Great Britain. This treatment is apparently based on one or other of the following theories. One theory is that by deducting unearned finance charges the notes receivable are shown at their principal amount and this amount is comparable with that shown for notes included in the balance sheet on which interest is collected periodically. Another theory is that by showing the net total a more or less present value of the note is displayed. There are also some exponents of the view that the net amount tends to indicate a realizable value.

As indicated in the foregoing section, there are many different practices followed in taking unearned finance charges into income and in my opinion it would be somewhat coincidental if the net balance of notes receivable after deducting unearned income did represent the principal amount, the present value or the realizable value. In respect of the last two, this is particularly apparent when it is considered that either the realizable or the present value will depend on the current cost of borrowing money, funds available to be borrowed, and the demand



## **APPENDIX L (Continued)**

for such notes at any given time as compared with conditions when the contracts were written. Furthermore, accounting theory is based on the going concern concept in determining amounts at which assets and liabilities are carried on the balance sheet and not a valuation or liquidation approach.

The two largest Canadian finance companies not associated with foreign corporations show unearned finance charges on the liabilities side of the balance sheet. This leaves notes receivable stated in the balance sheet at the amount the debtor has agreed to pay and, assuming there are no bad debts, at the amount that will be received by the finance company on a going concern basis.

Probably it is not a matter of great concern as to whether the unearned finance charges are deducted from the notes receivable or shown separately as a deferred credit in the balance sheet. The matter of prime concern is to indicate the amount of unearned income, the amount of the notes receivable to which it relates and the basis on which unearned income is taken into income account in the profit and loss statement. All of this is important information for the analytical reader of financial statements and in my opinion should be disclosed to shareholders in the annual financial statements and notes thereto. It has not been common practice to disclose this information in annual accounts sent to shareholders but it is becoming more readily available to interested parties in supplementary material prepared by finance companies.

### **Audit Procedures for Unearned Income:**

The nature of the item unearned income appearing in the financial statements of finance companies is such that appropriate auditing procedures may be summarized as follows:

- (i) Consideration of the accounting principles followed and assessment of the appropriateness of those principles in the particular situation.

The accounting principles should be reviewed with reference to the type of notes purchased, the cost of acquiring them and the method of calculating allowances for early payment, as well as typical experience relating to the continuing cost of collecting the notes.

- (ii) Enquiry and audit tests, as necessary, to determine the consistency of application of those principles with previous accounting periods, and audit tests of the accuracy of the company's accumulation of the appropriate data and calculation of unearned income.

The consistency of application of accounting principles should be determined during the course of the check of calculation of unearned income, which is usually done at head office in some detail, and in con-



junction with branch examinations where changes in the method of recording finance charges would be noted.

Branch examinations by the shareholders' auditor would include a review of internal audit and supervisory personnel procedures. During such examination, tests should be carried out on contract purchases to substantiate finance charges and on source data used to compute unearned income. These tests should include checks of clerical accuracy of data, correct reporting to head office, adequate supporting evidence for accounting entries, approval for adjustments and adherence to company policy. In addition, branch reports should be reviewed for uniformity and reasonableness and to ensure that no unauthorized adjustments are made to branch figures.

The audit tests of arithmetical accuracy and accumulation of data are the critical area from an audit point of view since a small error in mechanics, if applied to a large number of contracts, can result in a large error in the unearned income. It can thus give rise to an equal dollar error in profit before income tax.

### **DEALER RESERVES, HOLDBACKS AND OTHER CREDIT BALANCES**

#### **Description:**

A dealer reserve results primarily from the dealer's participation in finance charges on conditional sales contracts purchased at branches of a finance company. It may also include a bonus based on volume of notes purchased. The reserve will be small with non-recourse paper but may rise to 25% or more of the finance charge on recourse paper. A dealer's reserve may be covered by a specific contract but it usually arises from an understanding confirmed by letter with the dealer.

Holdbacks arise when contracts are purchased from a dealer and the specified amount to be advanced by the finance company to the dealer would be too high in relation to the realizable value of the security. A holdback is taken to reduce the finance company's advance to an acceptable risk level.

#### **Accounting:**

A dealer reserve is normally a direct allocation to the dealer of a portion of the finance charge and originates at branch level as part of the recording of the related note. Holdbacks originate in the same way except that they are a reduction of the amount the finance company would ordinarily remit to the dealer. Both are recorded on head office books through summaries of branch transactions.

A dealer reserve is normally paid out to the dealer when the related contract is paid off. However, payment is often subject to retention of

## APPENDIX L (Continued)

a specified percentage of the dealer's contingent liability, to consideration of the arrears position of the dealer's outstanding contracts, and perhaps to other conditions. Also, the dealer may have certain of his debts owing to the finance company paid by transfer from the dealer's reserve; such accounts owing might be deficiency balances, which arise when security is repossessed and sold for less than the loan balance, past due wholesale loan interest, etc. Payments or other charges against a dealer's reserve usually must be approved by regional or head office personnel, rather than at the option of branch personnel, with the exception that a dealer's reserve is always charged with its appropriate share of any finance charge rebated to customers on early payment of accounts.

Holdbacks are normally paid when the related contract is settled in full or when the amount due on it is reduced to a balance which meets the finance company's requirements for equity in the chattel.

### *Financial Statement Disclosure of Dealer Reserves, Holdbacks and Other Credit Balances:*

Amounts in respect of the foregoing items should be shown under a caption such as "Dealers' credit balances" in the accounts payable section of a finance company balance sheet.

### *Audit Procedures for Dealer Reserves, Holdbacks and Other Credit Balances:*

The audit by the shareholders' auditor will vary with the scope and quality of internal control procedures including internal audit, if any, but should include procedures to ensure that:

- (i) Procedures at head office are such that branch figures are proved to overall company totals and that there are no unauthorized adjustments to branch figures.
- (ii) If volume or other bonuses are included in dealer reserves, the computation and credit to appropriate dealer is checked at branch level.
- (iii) The branch audit covers a test of: the accuracy of calculating reserves; their accounting treatment; the crediting of individual amounts of reserves and holdbacks to dealers; the balancing of individual dealer's accounts to branch control accounts; detail entries in dealers' accounts and examination of supporting data and appropriate approvals (both debit and credit); accuracy of charge-back on rebated contracts; and accuracy of reporting of balances to head office.

Dealer reserves and holdbacks are taken into account in determining the finance company's possible loss on a dealer's loans because on recourse paper any loss on retail contracts may be reduced by application of the dealer's reserve or other credit balances. This practice is

referred to in the succeeding section on allowance for losses. (Paragraphs 91 to 137.)

It should be emphasized that the balance of dealers' credit balances which appears on financial statements is the result of a large number of transactions at the branch level and the shareholders' auditor normally carries out his tests at branches at interim dates during the company's fiscal year rather than carrying them out during the course of the year-end examination. Accordingly, it is important to test the reporting of branch balances to head office and to review branch reports at the year-end date for amounts which are out of proportion or otherwise unusual.

## **ALLOWANCE FOR LOSSES ON NOTES RECEIVABLE**

### **General Considerations:**

In most industrial concerns accounts receivable arise from sales and all of the revenue from the sale is taken into income when the sale is made. It follows that the allowance for doubtful accounts on these receivables must be for the entire anticipated loss, plus significant collection costs, to the point of liquidation of the receivable.

Current notes receivable of a finance company are different because, for interest included notes, there is unearned income which will be taken into income in future months, and, for interest bearing loans, interest will be earned on the outstanding balance. In both cases income will be earned in the future on current loans presently outstanding. Accordingly the allowance for doubtful finance notes receivable should cover:

- (i) Losses on instalments in arrears (since income would normally have been taken up on these instalments).
- (ii) Provision for eventual anticipated loss on current accounts.

There are a few practices generally taken into account in estimating an allowance for losses on finance company receivables and different procedures are used with different types of debts. It is convenient to discuss the method of establishing the allowance by reference to the various classes of debts.

### *Estimating Allowance for Losses on Recourse Paper and Notes Receivable from Dealers:*

As mentioned in Paragraph 14, "recourse paper" is the term used to describe retail finance contracts for which the dealer assumes responsibility if the prime debtor does not pay. The notes receivable which the dealer has endorsed are considered to be receivable from the dealer as long as the recourse has value. In estimating an allowance for losses, the same general considerations applicable to recourse paper should be used for dealer capital loans, dealer wholesale loans, repossession balances (including any deficiency balances resulting from the sale of



## APPENDIX L (Continued)

security for note) and current accounts receivable from the dealer for wholesale interest and other charges.

Because of the tremendous number of individual retail accounts to be reviewed for possible bad debts and the detailed knowledge required to assess the accounts, the calculation of the allowance must start at the branch level where contracts tabulated under each dealer should be reviewed by branch personnel. Unless there are well established procedures for the review and reporting of delinquencies at branch level, it is almost impossible to assess the collectibility of the accounts. Such review should take into account the dealer's financial position, the value of collateral for loans, the value of personal guarantees, and the availability of dealer's reserves and holdbacks.

Where it appears that the finance company has a risk of loss, branch personnel should list and value all accounts in respect of each dealer. (In valuing balances it is usual to consider only the current wholesale price which could be obtained on any security.) The balance of the dealer's reserve, holdbacks and other collateral, including dealer's guarantees, should be added to the aggregate realizable value of the relative accounts; the sum so obtained may then be deducted from outstanding balances receivable from debtors in order to arrive at the possible loss in respect of that dealer.

The value of a dealer's guarantee should be calculated by reference to such matters as the financial statements presented by the dealer, which are often not audited; the estimated realizable value of assets of the dealership, less prior liabilities; the managerial ability of the dealer as shown by the profit history of the dealership and the quality of notes discounted; the dealer's own investment in the business; and economic conditions in the area.

The branch estimate of losses should be reviewed by supervisory personnel who would then submit data to head office for a final review. The company's head office personnel should then review the material for consistency with past experience, ascertain that all collateral has been taken into account (because head office may hold collateral of which the branch is not aware), and summarize the results for comparison with prior periods. After unusual variances are investigated the final allowances should be set at the amount required to cover the estimated losses shown by the final summaries.

### *Estimating Allowance for Losses on Non-recourse Instalment Sale Contracts and Loans Under the Small Loans Act:*

The aforementioned loans can be considered together as the procedures required to estimate an allowance for losses are similar.

Losses can be estimated on an individual account basis by valuing the security and estimating the amount which can be collected from the debtor in the future either by personal contact, collateral security or



litigation. In this case the assessment starts at branch level on an account by account basis. The branch data should be summarized and reviewed first by local supervisory personnel, then by head office officials, to arrive at a final allowance. The steps are similar to those used for assessing dealer accounts but considerable emphasis is often placed on an individual's evident intention to liquidate his debt even though he may not be making full monthly payments.

Alternatively, some companies prefer to calculate an allowance based on percentages of outstanding balances or of various aging classifications. For example, a minimal percentage for current accounts might be provided, a specified percentage for accounts thirty days in arrears, a higher percentage for accounts sixty days in arrears, and a still higher percentage on accounts more than sixty days in arrears.

The alternative of applying percentages to overdue accounts in homogeneous groups, with the percentage increasing as the period in arrears increases, is not uncommon and *may* provide reliable results. However, the percentage should be based on the experience of the particular company and the resulting allowance should be adjusted for local conditions which could not be reflected in the aging of accounts. If this method is used the management usually requires a regular test of branch aging analyses to ensure that the overall allowance for doubtful receivables is based on reliable source data. Computers can provide accurate aging data and may facilitate calculation of an allowance.

In some cases industry averages for allowances have been suggested, with the averages being related to the total outstanding notes in the category being considered. In my opinion this method is unacceptable since there is a presumption that the particular company is the statistical average for the industry and this is clearly unlikely.

A single percentage applied to the total outstanding balance of notes fails to take into account variations in quality and type of notes acquired and the condition of the notes at the date under consideration. Accordingly the method is not recommended.

*Estimating Allowance for Losses on Industrial Loans (Interim and Long Term Financing):*

The security for industrial loans is normally verified at the time of loan approval and before the advance of any funds. The procedure for review and approval prior to advance of funds is most important since if this area is well handled, the review for doubtful accounts can be more straightforward. Assuming procedures ensure that the loans are adequately secured, then the loans should be reviewed at head office for:

- (i) Conditions which may have altered since the date of approval and which might give rise to a loss.
- (ii) Loans which are in arrears.

## APPENDIX L (Continued)

The review may take the form of an independent or internal appraisal of the security; review of audited or unaudited statements of the debtor; review of the current position of construction projects; and projections of future costs to assess the value of the project when completed. Appraisals will take into consideration the amount of income to be earned by the security and the current price a buyer would be willing to pay to acquire that income-earning capacity; on the estimated current replacement cost of the security; or on the price realized from the sale of similar properties. Finally the estimated value of the security will be compared with the outstanding balance of the loan and if a loss appears possible the necessary provision can be included in the allowance for doubtful accounts.

### *Estimating Allowance for Losses on Working Capital Advances to Small Businesses:*

A special problem arises in reviewing loans to small companies when repayment of the loan is dependent on success of the venture rather than on underlying security for the loan. However, it is not likely that these loans will be numerous or represent a high proportion of the total outstanding loans of a typical finance company. The security, if any, for these loans should be reviewed at least annually in detail, whether or not the loan is in arrears. If available, audited and interim financial statements should also be reviewed carefully for unfavourable trends in operations, excessive inventory, receivables or payables, and expenses of an unusual amount or nature. If the debtor concern is operating at a true profit and the loan is being paid off out of the profits, there may be no need for an allowance for doubtful accounts.

Each loan has to be reviewed on its own merits since details of security, nature of operations, the possibility of prior security being given without the knowledge of the finance company, are all variables. The allowance for doubtful receivables must reflect the risk inherent in such loans and the present condition of each one.

### **Company Policy On Bad Debt Write Offs:**

Allowances based on either percentages or specific accounts *must* take into account the company's policy on writing off doubtful accounts. Some companies have adopted a policy of writing off all accounts on which no payment has been received in twelve months and some have reduced this to six months. This practice guards against the possibility of excessive old doubtful accounts remaining on the books of the company and accordingly decreases the possibility that the allowance for doubtful receivables may be grossly inadequate. However, this practice should not be extended to the point where substantial recoveries are experienced regularly on accounts previously written off.

**Allowances Provided Out Of Finance Charges On Each Contract:**

Some companies have adopted the practice of crediting the allowance for doubtful accounts with a percentage of either the finance charge on instalment contracts or the amount advanced. This charges the income of each note with an imputed bad debt expense. While the procedure *may* result in an adequate allowance for doubtful receivables, it may also result in:

- (i) Less effort to analyze individual accounts for possible loss since an allowance will already have been set up.
- (ii) Provision for doubtful accounts fluctuating with purchase of notes rather than with the incidence of bad or doubtful debts.
- (iii) Variations in quality of paper purchased not being reflected in the allowance, or unusual local circumstances not being reflected in the allowance.
- (iv) Poorer collection effort because company personnel know that an allowance has been provided on every account irrespective of actual requirements.
- (v) A fairly large allowance may be provided on current accounts when there is no actual known or expected loss on these accounts.

In my opinion this or any overall average practice applied indiscriminately without a careful and regular review and assessment of receivables could well result in either excessive or inadequate allowances.

**Aging of Notes Receivable:**

One of the more important areas to be controlled by company policy, and one of great interest to the auditor, is the method of arriving at the dollar value of notes in arrears. Different companies may show as arrears:

- (i) Any amount which is overdue, based on the original payment schedule.
- (ii) Any full instalment which is overdue, based on the original payment schedule.
- (iii) The total outstanding balance of an account in the aging category when the oldest unpaid instalment was due.
- (iv) The total outstanding balance in the aging category when the last payment was received (irrespective of instalments contractually in arrears after the payment has been received). Also under this method a "payment" can be classed as a full regular instalment, half an instalment, any payment which meets arrears of interest and contributes to repayment of principal outstanding, or in some cases any amount at all.



### **“Rolled” Accounts:**

Some companies, particularly in the small loan field, find that some debtors pay more regularly if their account is treated as current when they commence paying after a period of time in arrears, or if the loan is rewritten for a longer period with lower instalments. In these cases accounts may be rewritten or, as it is called, “rolled over” or simply “rolled” to a current status without any new funds being advanced. Furthermore, accounts in arrears may be written with only a minor cash advance.

### **Importance of Company Methods:**

The bad debt write-off policy and the aging methods used are most important factors to consider when establishing an allowance for doubtful receivables. These practices must be followed consistently in all branches in each accounting period. The company must also establish the criteria for permitting accounts to be renewed, or “rolled”, and this practice must be carefully controlled.

If it is found that accounts are renewed primarily to improve the aging, or the criteria used in approving the practice result in frequent renewals, I believe that in most cases the allowance should be based on individual account reviews rather than percentages.

### **Financial Statement Disclosure of Allowance for Losses:**

In the financial statements the allowance for losses, or the allowance for receivables doubtful of collection, should be shown as a single amount deducted from the total of all classes of receivables to which it pertains.

### **Audit Procedures for Allowance for Losses:**

The allowance for doubtful accounts should be established by the company at an amount determined by applying its established criteria and methods on a consistent basis.

The auditor should assess the company’s policies and procedures in establishing the allowance for doubtful accounts to determine:

- (i) If the method used is appropriate to the type of receivable and consistent with prior periods.
- (ii) If the data on which the estimate is based is reliable and if the calculation of the final allowance is clerically accurate.
- (iii) If the opinions of company personnel are reasonable under the circumstances.

The examination of the allowance will involve work at the branch level and at head office. The branch work may involve reviewing reports to head office for accuracy and adequacy of explanatory material and



examination of documents in support of balances, as well as discussion of individual balances with branch personnel. Particular attention should be paid to the frequency of renewing or "rolling" accounts as this may vary from branch to branch and if many accounts are rolled the assessment of arrears is much more difficult. It should be noted that branch examinations at interim dates will have satisfied the auditor as to the general reliability of branch information for purposes of his examination of the financial statements at the company's fiscal year-end.

Steps carried out at head office should include the review of head office instructions to branches, the checking of branch reports to summaries, clerical tests to prove the accuracy of calculations, review of data submitted by branches and assessment of the opinions arrived at by branch personnel. In addition, it will be necessary to review larger loans with head office personnel, verify estimates of value of security, analyze financial statements of debtors and, for selected accounts, to repeat the steps used by the client to arrive at an estimate of losses.

It is common to review statistical data on the condition of the receivables and the allowance in respect of prior periods to ensure that the present allowance appears reasonable in relation to these statistics and past experience in general. Such statistics might include percentages of delinquencies to outstanding notes receivable, allowance for doubtful accounts to outstanding notes receivable, and bad debt losses to outstanding notes receivable. Trends in these and other statistics from year to year would also be used to assess the level of the allowance.

The estimate of the allowance for doubtful receivables requires the use of judgment and opinion at many stages and the auditor must satisfy himself as to the adequacy of the overall allowance or qualify his report accordingly.

SUBMISSION TO THE ROYAL COMMISSION ON ATLANTIC  
ACCEPTANCE CORPORATION LIMITED BY W. J. AYERS,  
F.C.A., RELATING TO THE SUBJECT OF INDEPENDENCE OF  
AUDITORS.

There are three well known sayings relating to independence of public accountants, one or more of which may appear in the leading texts on this matter. They are:

Independence is an abstract concept—difficult to define, a reflection of honesty and integrity. It is a state of mind and not susceptible of objective determination or definition.

Caesar's wife ought to be above suspicion.

The auditor must be independent in fact, and should be independent in appearance also.

Where a state of mind is involved as indicated in paragraph 2 above, reputation as in paragraph 3 and appearance as in paragraph 4 it is difficult to lay down criteria for the measurement of such a concept as independence.

Likewise, as it seems equally difficult to legislate regarding a state of mind, it is obvious that the various Companies Acts and statutes of all kinds which affect public accountants and their clients can only legislate concerning positive conditions or facts, such as offices held etc. and will provide little help in a study of independence.

It is also obvious therefore that professional bodies, individuals and firms will provide the best guides as to the most desirable standards. Let us then examine the situation as far as the Institute of Chartered Accountants of Ontario is concerned.

I will comment first on the Act under which the Institute is incorporated and its by-laws, rules and opinions.

The Institute is constituted by an Act of the provincial Legislature. One of the objects of the Institute as provided for in that Act is "to regulate the discipline and professional conduct of its members and students-in-accounts". Section 8 of the Act provides for the enactment of by-laws and specifically Section 8 (f) provides for by-laws "to provide for rules of professional conduct". Thus by-law 76 provides that Council, subject to ratification by the members, may pass rules of professional conduct with which the members shall comply. There are at present Rules of Professional Conduct numbered 1-52.

The Council also may publish opinions and the introduction to the published opinions explains their status:

The onus for enforcement of the Institute's rules of professional conduct lies in the first instance on the professional conduct committee. It is responsible for investigating complaints of apparent infractions and it

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has the power to submit to the discipline committee a charge or charges against a member or student. The by-laws contain provision for the formal hearing of charges, and for the imposition of penalties, including suspension and expulsion.

To help members avoid infringing the by-laws and rules, the professional conduct committee is prepared to give its opinion on ethical problems. To further help, the following opinions, written in the light of the committee's experience with particular problems, are issued by the council. It should be understood that while the opinions offer guidance they are not intended to absolve members from the personal responsibility of exercising judgment and intelligence in considering the ethical aspects of problems they encounter.

The main rules on independence as they now exist were implemented 1959-60 and are known as Rule 3 (1) and Rule 8. They are as follows:

Rule 3 (1) A member acting as an auditor shall maintain independence.

Rule 8 No member or firm of which he is a partner shall express an opinion on the financial statements of any organization if the member, his partners, or his or their immediate families have any direct or indirect financial interest (or such other interest as could influence the independence of the member or firm) in the organization unless the report discloses such interest.

Rule 3 is unequivocal in requiring the maintenance of independence. If, then, a member was not *in fact* independent in a given set of circumstances he would not be competent to act as auditor. Read together, Rule 3 and Rule 8 could cause confusion. However, between the clear-cut case of *lack of* independence contemplated in Rule 3 and the condition of *absolute* independence, there may be cases where interests exist which *could conceivably* dilute independence. Rule 8 specifies that in these cases the auditor's interest must be disclosed. In the final analysis, however, Rule 3 is paramount and where independence does not, *in fact*, exist, the mere disclosure of interest will not satisfy Rule 3. The difficulty that could arise in dealing with these rules, of course, is the absence of a definition of independence, which means that subjective judgment is involved in each case.

Opinion 5 on independence was issued on June 30, 1961 and is as follows:

The intent of the rules is clear. Despite this, members have on occasion failed to appreciate that the holding of any direct or indirect financial or other interest disqualifies a member or his firm, if he is a partner, from expressing an opinion unless such interest is disclosed.

The council considers, however, that a practising member who is asked to serve on the governing body of a non-profit-seeking religious



## APPENDIX L (Continued)

charitable or educational organization may do so even though the firm of which he is a partner may be the auditors of the organization. It is believed to be in the public interest and in the interest of the profession that our members assume responsibilities in community service. It is necessary, of course, that the member concerned should be satisfied of the ability of his firm to retain its independence under these circumstances and of his own ability to act without in any way influencing the independence of his firm.

This is interesting in that it follows the English pattern that one partner doing a charitable job *may* not make another partner doing the audit suffer lack of independence if both are satisfied that such is not the case.

Opinion 13, issued July 3, 1963, dealing with Rule 8, states that direct and indirect interests in effect dilute independence. That opinion reads in part as follows:

Having again considered Rule 8, the Council wishes to reiterate what is expressed in the introductory paragraph to the rules — that the rules state broad principles as a guide to members; they express the spirit in which members should conduct their affairs, they are not to be interpreted in a legalistic fashion.

In this context, Rule 8 affirms the principle that members, in reporting on financial statements, are expected to do so from a position of independence. The reader is entitled to assume that this is so, and *if it is not*, he is entitled to know the extent to which the auditor's independence is diluted. Rule 8 does not prohibit a member from having a direct or indirect financial interest in a concern for which he acts as auditor, but it does require that where there is such an interest, it should be disclosed in the auditor's report; this is not unlike the requirement of disclosure in relation to directorships in reporting under the Corporation Act of Ontario. In the view of the council this is a reasonable stand for the Institute to take.

It is the council's belief that the use of the word "material" to qualify "indirect financial interest" would simply continue the opportunities for misunderstanding and abuse that were present under the wording used in the former Rule 8. It will be seen that the rule applies only to interests held by a member, his partners or his or their immediate families; immediate family would ordinarily be construed to include only those members of the family living in the same home, such as wife and children. The council, in considering this matter, has agreed that certain indirect interests—such as through investment in a normal mutual fund or investment club—are so tenuous as not to require disclosure. For the reasons set out, the council does not propose, at this time, to place an amendment to the rule before the members.

As previously mentioned one cannot expect statutes to deal satisfactorily with requirements which may not be capable of definition and therefore usually such statutes in Canada will be restricted to positive



facts. The following are restrictions which appear in statutes in Canada likely to affect auditors:

### **Canada Corporations Act**

The only requirements which could be said to relate to the independence of the auditor are those relating to qualifications, which provide that no director, officer or employee of the company or affiliated company can be appointed auditor, and this extends to partners or employees of such director, officer or employee.

The only exception to the above is in the case of certain private companies which permit a director, officer or employee, or a partner, employer or employee of such director, officer or employee to be appointed as auditor if such appointment is made unanimously by the shareholders, and if disclosure is made in the auditor's report.

### **The Corporations Act — Ontario**

This statute has exactly the same provisions as the Canada Corporations Act, including the exception for private companies.

### **The Bank Act**

This Act contains a stipulation that the auditor or any member of his firm must not be a director or officer of the bank.

### **Legislation re Trust and Loan Companies**

The federal legislation provides that a director or officer of the company is not capable of being appointed auditor of the company. Under provincial legislation no officer, director or employee of the company or affiliated company or partner or employee of such director, officer or employee may be an auditor.

These are basically the only statutory conditions of independence in any of the main statutes affecting corporations but they do indicate that employment as a director, officer etc. is a lack of independence and that in the case of a private company this must be made known in the auditor's report.

### **Position in Certain Other Countries**

Let us look briefly at some aspects of the positions taken on professional independence by the Institute of Chartered Accountants in England and Wales, the Securities and Exchange Commission, U.S.A., and the American Institute of Certified Public Accountants.

The English Institute has, I believe, been divided on the subject of whether auditors should or should not be officers or shareholders of family or private companies, particularly smaller ones, where many feel that more benefit accrues to the company than there is harm done.

## APPENDIX L (Continued)

The following is a quotation from a lecture given in 1965 to the members of the Institute of Chartered Accountants in England and Wales, by the vice chairman of the Investigation Committee and refers to the attitude of the Council of the English Institute:

The council has given no specific guidance in regard to such matters as holding shares in a company of which a member is the auditor nor as to whether it is appropriate that a member's wife may be a director of a company of which he is the auditor. This is a matter in which the member must make up his own mind. He may well consider that it would be unwise to accept the position of auditor in a case where this might prevent him from exercising that independence of judgement which is normally required of an auditor.

The Securities and Exchange Commission is perhaps the most demanding on the subject of the auditor's qualifications and independence. In this respect Rule 2.01 Regulation S-X states:

### "Rule 2.01 Qualification of Accountants

(a) The Commission will not recognize any person as a certified public accountant who is not duly registered and in good standing as such under the laws of the place of his residence or principal office. The Commission will not recognize any person as a public accountant who is not in good standing and entitled to practice as such under the laws of the place of his residence or principal office.

(b) The Commission will not recognize any certified public accountant or public accountant as independent who is not in fact independent. For example, an accountant will be considered not independent with respect to any person or any of its parents or subsidiaries in whom he has, or had during the period of report, any direct financial interest or any material indirect financial interest; or with whom he is, or was during such period, connected as a promoter, underwriter, voting trustee, director, officer, or employee.

(c) In determining whether an accountant may in fact be not independent with respect to a particular person, the Commission will give appropriate consideration to all relevant circumstances, including evidence bearing on all relationships between the accountant and that person or any affiliate thereof, and will not confine itself to the relationships existing in connection with the filing of reports with the Commission."

Paragraph (a) deals with the technical requirements only. Paragraph (b) states very precisely that the auditor must, in fact, be independent, and prescribes particular situations which preclude independence.

The S.E.C. makes no concessions on independence and as a result of defining, on request, what constitutes a material indirect interest or what

## **APPENDIX L (Continued)**

personal relationship gives rise to lack of independence, has issued a number of opinions, some of which may appear unrealistic.

The American Institute of Certified Public Accountants has followed the intent of Rule 2.01 of the S.E.C. quoted above, for their basic rules.

They have not gone as far as the S.E.C., but they have pointed to certain grey areas and warned of their hazards. I would say that their basic concept is good, and it can be summed up by saying that the auditor must be independent in fact, and should be independent in appearance also.

### **Personal Opinion**

In my opinion an auditor must be independent in fact, and, except perhaps in the case of private companies (not being subsidiaries of public companies) where his interest is disclosed, neither he nor his partners nor his or their immediate families should have any interest which could affect his independence.

This whole question continues to concern the profession in Canada, the United States and elsewhere. I understand that the Institute of Chartered Accountants of Ontario has the problem under study with a view to restating its position more precisely for the guidance of members. As a personal view, I would hope that the question of "appearance" will be dealt with in any such restatement, and that some definition of "independence" may be developed.



**SUBMISSION TO THE ROYAL COMMISSION ON ATLANTIC  
ACCEPTANCE CORPORATION LIMITED BY  
R. B. DALE-HARRIS, F.C.A., RELATING TO THE DUTIES OF AN  
AUDITOR AS TO COMPLIANCE WITH THE REQUIREMENTS  
OF TRUST DEEDS, AND REPORTS IN THE CASE OF LOAN  
AND TRUST COMPANIES.**

**(A) Compliance with Requirements of Trust Deeds Securing Loans**

Defaults under trust deeds may arise in many ways, e.g. the company may have failed to maintain its financial position (say working capital) at the required minimum amount or may have made additional borrowings or paid dividends in violation of requirements of the trust deeds.

The auditor should familiarize himself with the principal requirements of trust deeds and should check in the course of his audit as to whether or not there is any default on the part of the company thereunder.

If any default of a significant nature exists under a trust deed, such default should be disclosed in the financial statements. If such default is not disclosed in the financial statements and the auditor is aware of it, he should qualify his report accordingly.

The auditor may also consider it proper that certain requirements of trust deeds (e.g. restrictions on payment of dividends) should be disclosed in the financial statements.

**(B) Auditors' Reports in the Case of Loan and Trust Companies**

Under the Loan and Trust Corporations Act of Ontario, auditors are not required to express an opinion on the operating statement as distinct from the balance sheet.

The same situation has obtained up to the present under Federal legislation in that neither the Trust Companies Act nor the Loan Companies Act required a report on the results of operations. Under both these statutes the only requirement has been for a report on a "Statement of Affairs", but, effective for years ending in 1966, the auditor's responsibility under these Acts is extended to cover a report on the results of operations. This is despite the fact that directors are not yet required to present shareholders with a statement showing these results—a curious anomaly.

Many auditors have assumed responsibility for going on to express an opinion on the Surplus and Earnings Statements, but this has been a unilateral acceptance of responsibility rather than a response to a statutory requirement. The various provincial institutes and the Canadian Institute of Chartered Accountants have been considering this subject for some time and so far as I am aware, the opinion is now widely



held that the Auditors' Report should extend to the financial statements as a whole, and should state that they present fairly not only the financial position at the end of the year, but also the results of its operations for the period under review.

The Canadian Institute's Federal Legislation Committee has made a specific recommendation to this effect, which embraces also proposals for further disclosure requirements. A copy of that Committee's brief to the Department of Insurance in Ottawa is attached.

It is my opinion that the shareholder of a trust or loan company should be entitled as a statutory right not only to a balance sheet showing the position at the end of the year, but also to a statement of profit and loss, a statement of undivided profits or surplus, and a statement of general reserve; further, that being entitled to such information, he should look to his auditor to express an opinion as to the fairness of all those statements.

22 September 1966

Richard Humphrys, Esq.,  
Superintendent of Insurance,  
The Department of Insurance,  
Insurance Building,  
Confederation Heights,  
Ottawa, Ontario.

Dear Mr. Humphrys:

**re: Trust Companies Act  
Loan Companies Act**

On October 20, 1964 we submitted certain recommendations concerning the amendments to the provisions of the above Acts contained in Bill C-123 which related to the requirements of auditors in reporting to the shareholders and to the Superintendent of Insurance. While amendments were made to the Acts without giving effect to our recommendations, except one recommendation in regard to the effective date of the change in auditors' reports, we understand that the Department is prepared to again consider any submissions which we might wish to make.

A Study Group of the Institute's Federal Legislation Committee has prepared recommendations for revision of the provisions of the Acts relating to the financial statements submitted annually to shareholders and to the requirements for auditors' reports.

In regard to our recommendations for the disclosure of information in the financial statements, you will note that they relate to the statements of profit and loss, undivided profits and general reserve and not to the balance sheet. We believe that it is most important that guidance be given in the minimum disclosure required in statements reflecting the results of operations now that auditors are required to give an opinion regarding such statements. We do not feel that guidance in respect to the balance sheet is required immediately because auditors have been reporting on it for some time and reasonably accepted standards of disclosure have developed.

## **APPENDIX L (Continued)**

A Study Group of the Institute's Accounting and Auditing Research Committee is currently making a study of reporting practices for financial institutions. For this reason, we have refrained from submitting recommendations on disclosure in respect to the balance sheet and on other than minimum disclosure in respect to the statement of profit and loss.

We respectfully submit the following recommendations for your consideration:

### **FINANCIAL STATEMENTS**

The Trust Companies Act and the Loan Companies Act require that a "statement of affairs" only shall be submitted at each annual general meeting.

#### **Recommendation**

That the Acts be amended or that regulations be issued thereunder to require the directors to place before each annual meeting of shareholders:

- (a) a statement of profit and loss;
- (b) a statement of undivided profits or surplus;
- (c) a statement of general reserve;
- (d) a balance sheet.

### **DISCLOSURE**

The Acts do not contain provisions relating to the information to be shown in the statements to be presented to shareholders at each annual general meeting.

#### **Recommendation**

That the Acts be amended or that regulations be issued thereunder to require the following in regard to the financial statements submitted to shareholders:

##### **1. STATEMENT OF PROFIT AND LOSS**

Every such statement shall be drawn up to present fairly the results of operations for the period and shall show severally, at least:

- (a) income from investments in subsidiaries whose financial statements are not consolidated with those of the company;
- (b) non-recurring profits and losses of a significant amount, including profits or losses on disposal of capital assets and other items of a specific nature to the extent that they are not shown separately in the statement of undivided profits or general reserve;
- (c) amounts written off for goodwill or provided for amortization of any other intangible assets, to the extent that they are not shown separately in the statement of undivided profits or general reserve;
- (d) the allowance made for depreciation and amortization of fixed assets and leasehold improvements;
- (e) amounts charged or credited to profit and loss in respect of transfers to or from investment, mortgage and other reserves;

## APPENDIX L (Continued)

- (f) the net aggregate of profits and losses on sale of investments to the extent that the amount is not shown separately in the statement of undivided profits or general reserve; provided, however, that if such amount is not carried to the statement of profit and loss, statement of undivided profits or statement of general reserve, such amount less income tax provision or reduction, if any, applicable thereto shall be shown by way of a note to the financial statements;
- (g) taxes on income, also showing the amount, if any, by which income taxes otherwise payable have been reduced or increased by claiming an amount of mortgage reserve for income tax purposes different from the amount recorded in the accounts;
- (h) the net profit or loss for the period.

### 2. STATEMENT OF UNDIVIDED PROFITS

Every such statement shall be drawn up so as to show separately at least the following items:

- (a) the balance of such profits at the end of the preceding financial period;
- (b) the additions to and deductions from such profits during the financial period and without restricting the generality of the foregoing, at least the following:
  - (i) the net profit or loss for the period,
  - (ii) the dividends declared on each class of shares,
  - (iii) amounts transferred to or from general reserve,
  - (iv) amounts transferred to or from other reserves and the income tax provision or reduction, if any, applicable thereto,
  - (v) the net aggregate of profits and losses on sale of securities, if carried to the statement of undivided profits, and the income tax provision or reduction applicable thereto, if any;
- (c) the balance of such profits at the end of the financial period.

### 3. STATEMENT OF GENERAL RESERVE

Every such statement shall be drawn up so as to show separately at least the following items:

- (a) the balance at the end of the preceding financial period;
- (b) the additions to or deductions from the reserve during the financial period and without restricting the generality of the foregoing:
  - (i) the premium arising from issue of shares or the reorganization of the company's capital,
  - (ii) amounts transferred to or from undivided profits,
  - (iii) transfers to or from other reserves and the income tax provision or reduction, if any, applicable thereto;
- (c) the balance at the end of the financial period.



## APPENDIX L (Continued)

As stated above, we have decided to refrain from making specific recommendations as to minimum disclosure on the balance sheet and on other than minimum disclosure on the statement of profit and loss until the results of the review being made by the Study Group of the Accounting and Auditing Research Committee on accounting principles and reporting standards of financial institutions becomes available. No guidance is required immediately in respect to the balance sheet because auditors have been reporting on it for some time and the standards of disclosure appear to be reasonably acceptable. In suggesting this we do not wish to imply that we are satisfied with the present standards of disclosure. Some members of our Committee's Study Group expressed the view that it may be in the interest of the shareholders to disclose certain information which is not now usually provided, such as the following:

- (a) the basis of valuation for each type of investment;
- (b) the aggregate of the market value of investments, compared to their aggregate book value;
- (c) the amount of mortgage reserve;
- (d) gross revenue earned and interest paid.

While the above items may not be of sufficient importance to be included in any requirements for disclosure that you may wish to introduce in the near future, we feel that they should at least be brought to your attention, so that they will receive your consideration.

### AUDITOR'S REPORT

Section 49 of the Trust Companies Act and section 59 of the Loan Companies Act require that the auditor's opinion be phrased to use the term "true and correct view" and to include in their report, if appropriate, the words "according to the best of our information and explanations given to us and as shown by the books of the company." The current practice of our profession in the wording of auditors' reports is reflected in the provisions of subsections (2) and (3) of section 124 of the Canada Corporations Act, under which the words "present fairly" are substituted for "are properly drawn up so as to exhibit a true and correct view" and the phrase "according to the best of our information and the explanations given to us and as shown by the books of the company" is not required.

#### Recommendation

That the wording of the provisions of section 49(3) of the Trust Companies Act and section 59(3) of the Loan Companies Act be deleted and replaced by the following:

- (a) the report in each case shall state whether, in his opinion, the financial statements referred to therein present fairly the financial position of the company and the results of its operations for the period under review;
- (b) the auditor in his report shall make such statements as he considers necessary in any case where:
  - (i) the financial statement of the company is not in agreement with the accounting records,



## APPENDIX L (Continued)

- (ii) the financial statement of the company is not in accordance with the requirements of this Act,
- (iii) he has not received all the information and explanation that he has required, or
- (iv) proper accounting records have not been kept, so far as appears from his examination.

The above wording is the same as the wording of the provisions of section 124(2) of the Canada Corporations Act except that the words "in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period" have been deleted. We believe that these phrases should be omitted until an authoritative statement of generally accepted accounting principles for trust and loan companies comes into existence, or until some guidance can be provided by the Study Group on reporting practices of financial institutions.

We trust the above recommendations will be helpful and we shall be pleased to discuss them with you if required.

Yours very truly,

G. P. KEEPING,

*Chairman, Federal Legislation Committee.*

SUBMISSION TO THE ROYAL COMMISSION ON ATLANTIC ACCEPTANCE CORPORATION LIMITED BY G. R. FERGUSON, F.C.A., RELATING TO: (A) RECOMMENDED AUDITING PROCEDURES WHERE A HOLDING OR PARENT COMPANY IS AUDITED BY ONE FIRM OF PUBLIC ACCOUNTANTS AND ITS MAJOR SUBSIDIARIES ARE AUDITED BY OTHERS: (B) AUDITOR'S REPORT INSOFAR AS IT RELATES TO RELIANCE ON OTHER AUDITORS.

## **GENERAL**

### **Consideration of Problem by Profession in Canada**

The matter of reliance by one auditor on the opinion of another auditor, which is often faced by auditors of a parent or holding company, was referred to a study group by the Accounting and Auditing Research Committee of the Canadian Institute of Chartered Accountants, in August 1958.

The results of this study and the recommendations of the study group were published by the Canadian Institute of Chartered Accountants in the form of a "Research Study" entitled "Reliance on Other Auditors" which was available to members in July 1964. The publication of the Research Study was followed by the issue of Bulletin No. 22 of the Accounting and Auditing Research Committee of the Canadian Institute of Chartered Accountants which was approved in principle and substance by that Committee in May, 1965 and circulated to all members in August 1965.

A copy of the Research Study and a copy of Bulletin No. 22 are submitted herewith.

### **Nature of a Research Study**

The nature and purpose of such a Research Study is outlined in the preface and foreward thereto, wherein the following reference is made to Research Studies in general,—

This study is part of a series of Research Studies published under the general authority of the Committee on Accounting and Auditing Research. The series is designed to provide a detailed review of accounting and auditing problems by individual authors or study groups appointed by the Committee for the purpose of the particular study. The series, and each study, expresses the views of the author or study group concerned and does not reflect the approval or endorsement of the Institute nor of the Committee.

and reference to the particular Research Study entitled "Reliance on Other Auditors" is as follows:

The purpose of the study is to set before the reader the ideas reviewed and the problems encountered by the Study Group as they investigated the relationship and its results when one auditor "relies" on the opinion of another. The study indicates also the evolution in the thinking of the Study Group members as their work progressed.

**Nature of a Bulletin**

The Committee on Accounting and Auditing Research of the Canadian Institute of Chartered Accountants issues bulletins from time to time setting forth the opinion of that Committee with respect to matters of accounting and auditing practice. Such bulletins reflect what the Committee considers to be the best accepted practice or its suggested treatment of new elements in accounting statements arising as a result of changes in social or economic conditions.

**RECOMMENDED AUDITING PROCEDURES****Present Situation**

Although the recommendations contained in Bulletin No. 22, issued in 1965, do not vary in essence from those contained in the Research Study, the Research Study reviews in greater detail the various factors considered and the reasoning behind the recommendations. As the Research Study deals fully with the deliberations of the Study Group with respect to the various aspects of the subject "Reliance on Other Auditors", and as Bulletin No. 22 expresses the opinion of the Committee on Accounting and Auditing Research on this subject, no attempt has been made in this submission to summarize these documents.

**Prior Situation**

Prior to the formation of the study group leading to the issue in 1964 of the Research Study, there had been no formal review of this problem by members of the profession, and until the issue of Bulletin No. 22 in August, 1965, no authoritative statement had been made by the profession in Canada, with respect to this subject.

Possibly the best indication of the various practices followed in Canada prior to 1964 by certain members of the profession is reflected in the answers to a questionnaire circulated by the Study Group in February, 1959 amongst offices of selected firms of chartered accountants. Replies to this questionnaire were received from 16 Canadian firms and a summary of these replies is given in Appendix I to the Research Study.

## **APPENDIX L (Continued)**

As will be seen from the tabulation in Appendix I, wide variations existed between the practices of the reporting firms insofar as they related to reviews by the parent company auditor of:

- (a) the accounting practices of the subsidiary, and
- (b) the auditing procedures and working papers of the auditor of the subsidiary company.

Although Appendix I gives a general indication of the varying positions adopted in 1959, it must be recognized that auditing procedures change materially over the years and a significantly different pattern might have resulted from a similar survey in 1964.

### **AUDITOR'S REPORT**

#### **General**

The recommended form of an Auditor's Report to the Shareholders in Canada is comprised of two main paragraphs. The first paragraph is intended to outline the nature and extent of the examination which has been made, and is referred to as the "scope" paragraph. The second paragraph is intended to set forth, with or without qualification as the circumstances require, the auditor's opinion on the financial statements upon which he is reporting, and accordingly is referred to as the "opinion" paragraph.

#### **Present Situation**

In both the Research Study and Bulletin No. 22, the opinion is expressed that a reference in the scope paragraph of the auditor's report to the work of another auditor does not constitute a qualification of the opinion of the parent company auditor, but is made to state clearly his reliance on the report of the other auditor. As pointed out in both publications, "if qualifications are needed, either as to the acceptability of the report of other auditors or as to other matters in the accounts of the subsidiary, they should be made in specific terms and an exception taken or no opinion given as the circumstances may dictate."

#### **Prior to Issue of Bulletin No. 22**

Prior to publication of a recommended wording for such situations (as contained in Bulletin No. 22) the practice among Canadian firms, insofar as it related to reference to the work of other auditors, varied to some extent as indicated by the replies to the questionnaire as summarized in Appendix I of the Research Study. These replies indicate that in practically all cases reference to the work of other auditors was made, and in the majority of cases such references were included in both the scope and opinion paragraphs.



## APPENDIX L (Continued)

It was the feeling of the Study Group that in some cases such a reference in the opinion paragraph may have been intended to convey a qualification of opinion and to clarify this it was recommended that, where no qualification is intended, reference thereto should be made in the scope paragraph only. Whether or not such references in the opinion paragraph could be construed as a qualification during the years prior to the issue of the Research Study and Bulletin No. 22 can best be evaluated in terms of Bulletin No. 18 issued by the Accounting and Auditing Research Committee in August 1960 with respect to "Qualifications in the Auditor's Report", which states:

Proper presentation of a qualified opinion also requires that the opinion paragraph be modified by wording which clearly conveys the auditor's intention to qualify his opinion. The committee emphasizes that, while the modifying words may vary, the words used should not only refer to the qualifying circumstances, but should also specifically identify such circumstances as qualifications. It is therefore recommended that wording such as "with the exception that", "except for", "with the exception set out in the preceding paragraph", "subject to the qualification that", or "subject to the qualification set out in the preceding paragraph" should be used in the opinion paragraph.



## APPENDIX M

Submission of  
Albert M. Lando, C.A.  
and  
A. Martin Fruitman, C.A.  
on May 11, 1967





### 1. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

In testimony given before the Commission by various accountants and auditors frequent reference has been made to “generally accepted accounting principles”. Opinions were stated, conclusions drawn and calculations made, all on the basis of these “principles”. It would therefore seem appropriate to examine “generally accepted accounting principles” and, if possible, to define the term as it relates to the situation at hand. (For reference, we should point out that in the literature of accounting the terms “convention” and “principle” are sometimes used interchangeably.)

In “Professional Accounting” (Parker and Bonham — 1965), chapter two, at page 35, under the heading “Generally Accepted Accounting Principles”, it states:

The phrase ‘generally accepted accounting principles’ originated in the United States approximately thirty years ago. Although the phrase is certainly nebulous, accountants generally agree that it refers to both the principles and their applications that are generally accepted by the accounting profession and informed business opinion. Since this phrase is used in audit reports to modify the expression ‘present fairly’, the uncertainty that clouds the precise meaning of generally accepted accounting principles is extremely significant. According to Stephen Gilman (Accounting Concepts of Profit — 1939): ‘Accountants are in the unenviable position of having committed themselves in their certificates as to the existence of generally accepted accounting principles while between themselves they are quarelling as to whether there are any accounting principles and if there are how many of them should be recognized and accepted’.

Mr. Gilman’s comments were written almost thirty years ago but the authors go on to state their own views (page 36) as follows:

As they presently exist, generally accepted accounting principles are incomplete in terms of fulfilling the need for an integrated and comprehensive structure of accounting theory. The bulletins of the Committee on Accounting and Auditing Research of The Canadian Institute of Chartered Accountants, together with the various pronouncements of other professional accounting organizations, probably represent the best evidence of general acceptance. However, these pronouncements lack the absolute authority to be binding on all accountants under all conditions. Furthermore these bulletins and other pronouncements have been directed more to accounting practices than to the underlying principles. Therefore they generally lag behind the problems they purport to solve.

Given the diverse nature of the accounting function, together with the diverse composition of the accounting profession, there is valid reason to question the ability of the profession in Canada to cope with

## APPENDIX M (Continued)

the dilemma concerning accounting principles. The problem in Canada is further complicated by the limited resources available for basic research.

Later in the chapter (pages 41-42) we are provided with an illustration, prepared by Arthur Andersen and Company, which has been deliberately constructed to emphasize the dilemma. Company A and Company B, identical companies, have applied alternative, but generally accepted, accounting principles to the preparation of their financial statements. The resultant statements show valuations of \$7,500,000.00 for Company A and \$22,500,000.00 for Company B, a variance of 200% for companies which are identical in every respect.

Most accounting texts used in the Chartered Accountancy curriculum (and which are constantly being updated) state clearly that accounting principles require refinement and definition before any general acceptance by the profession is to be hoped for.

For example.

### Principles of Accounting—Intermediate; Finney and Miller.

What are accounting principles? Contrary to a belief held by some non-accountants, accounting statements are not entirely factual. Judgment, opinion, and estimates enter into the accounting process. This is necessarily so. For instance: the amount of the provision for uncollectible accounts is determined to a considerable extent by judgment and opinion; also, whether certain items should be included in the merchandise inventory, and the valuation of items of doubtful salability, are matters to be decided by the exercise of judgment and the forming of an opinion; again, a fixed asset is depreciated over its estimated useful life.

It does not follow from the observation that accounting is completely discretionary in nature. Underlying the accounting process are certain principles which serve to produce accounting results which are basically uniform and consistent. If there were no such generally recognized principles governing accounting and statement preparation, the reliability of statements would be undermined, and comparisons of the financial position and operating results of two companies, as shown by their statements, would not be very fruitful, and if a company failed to apply accounting principles consistently, a comparison of its statements for two or more periods might not result in meaningful conclusions.

There is some question, however, whether everything which accountants have at times referred to as 'accounting principles' are in fact principles. There is no question that there exists a framework or area of well-established accounting doctrine. But not everything included therein can properly be called a principle. A principle is a fundamental truth, law, or assumption which is a universal basis of reasoning or conduct; but many of the rules and concepts of accounting are not of

so fundamental a nature. As Mr. George O. May expressed it, '... I should warn you that the terminology of accounting is somewhat loose and vague. When you hear a reference made to an accounting 'Principle' you may find that in reality it is nothing more exalted than a convention or rule of convenience'.

Precision of terminology and clarity of thought might be greatly increased if a more definite distinction were made between accounting principles and accounting conventions, and if the word 'standards' were used to embrace them both. It is important that accounting be governed by some basic principles of universal applicability. But it is also desirable that members of the accounting profession, like members of the profession of medicine, exercise individual judgment. Accountancy must meet the varying requirement of different businesses operating under differing conditions, and it must be prepared to adjust itself to changes in the economic system. It is in the realm of conventions that the accountant should feel free to choose between acceptable alternatives; and, since there are, and should be, alternative conventions, it is sufficient that accounting statements be (as was previously stated) 'basically uniform and consistent'.

More to the point are the many current articles appearing in Financial periodicals, which are the issue of prominent and authoritative accounting sources. Examples of these:—

(1) "Generally Accepted Accounting Principles" by R. M. Skinner, F.C.A., partner in Clarkson Gordon & Co. (September 1966 issue of the Canadian Chartered Accountant).

Probably every large accounting conference held in Canada or elsewhere during the past ten years has had a session on some aspect of accounting principles. What the topic lacks in freshness, therefore, it makes up for in durability.

The immediate reason, however, for my adding to the weight of spoken and written words on the subject is that, with the help of a small advisory group, I am at present writing a research monograph for the Canadian Institute's Accounting and Auditing Research Committee on the subject of 'Generally Accepted Accounting Principles in Canada'.

Our research bulletins give some guidance but they are far from complete in their coverage of accounting problems. Additional authoritative guidance may be obtained by reference to the American Institute bulletins or statements by the Council of the Institute of Chartered Accountants in England and Wales, but these do not always agree with our own bulletins nor with each other. If we look to actual practice for guidance, as illustrated by the published annual reports of public companies, we find that information is not always available about accounting methods used and that variations in practice are numerous, so that it is extremely difficult to say whether any particular method has such a majority as to be considered 'generally accepted'.

In my opinion, the process of the establishment of accounting principles by recourse to 'general acceptance' has failed. It is incumbent



upon the accounting profession to give a more positive lead in the establishment of principles. I believe that the profession should draw up a statement of what it considers to be the accounting principles that are most appropriate for our society today. I believe also that the American Institute is on the right track in requiring its members to call attention either by way of notes to financial statements or, failing that, in the report of the independent auditors, to any deviations in the accounting principles of an enterprise from those recommended by the Institute. Such an action does not override management's responsibility to provide an accounting which in its opinion most fairly presents its situation and results. It merely provides an independent standard against which that accounting can be measured and one which is more sharply defined than the nebulous phrase 'general acceptance'.

(2) Mr. J. R. M. Wilson, F.C.A., partner in Clarkson Gordon and Company, from an address given to a Toronto group of financial men and economists, printed in the February 5, 1966 issue of the Financial Post.

When you come to the question as to the propriety of methods followed in reflecting profits, you are in a much less certain area — the area of accounting principles. But nobody in Canada has any authority to lay down a rule as to the acceptability of accounting principles and our companies Acts, which are now quite complete in terms of disclosure requirements, are silent as to how accounting valuations shall be determined.

(3) Arthur Beedle, C.A., Associate Professor University of British Columbia, in the August 1966 issue of the Canadian Chartered Accountant, reviewed a pamphlet entitled "Establishing Accounting Principles—A Crisis in Decision Making" issued by Arthur Andersen and Company.

The pamphlet is labelled 'for purposes of study and discussion'—presumably by the U.S. accounting profession. It deserves equal consideration by Canadians as to its relevance to the Canadian scene. It contains both an indictment and a solution. The indictment:

To state that 'enormous progress has occurred in recent years' with respect to accounting principles is not borne out by the facts. In the last six years not a single improvement of any consequence has been made. Investors in the U.S. have a right to expect more progress.

There is a tendency to rely on an evolutionary development such as with the principles of common law. But no approaches similar to those used in the development of common law principles have been established for accounting principles.

To attempt a consensus among management, business associations, regulatory agencies and accounting organizations as to preferred accounting treatment would result in chaos. There would be no consistency, co-ordination or uniformity.

The few changes for the better result from action by the regulatory agencies on specific practices. The failure to deal effectively with the



many long-standing problems stems from lack of action by such organizations.

In two chapters the pamphlet discusses the role the accounting profession and the federal agencies have actually played. After a historical review, it finds the A.I.C.P.A. (The American Institute of Certified Public Accountants) Accounting Principles Board wanting—but 'the time for accomplishments no longer can be delayed'.

The Accounting Principles Board will demonstrate by its actions whether it will or will not carry out its assigned responsibility on behalf of the profession. As to the regulatory agencies, the extent of their jurisdiction and their intervention in accounting matters vary greatly. The Securities and Exchange Commission makes little use of formal rule-making procedures—there is no requirement to issue written rules. As a result binding and far-reaching decisions are made and precedents created without a record and without opportunity for participation by others who have an interest. Appeal to the judicial courts is limited to those affected. Professional accounting bodies are precluded from appealing accounting rules to the courts. Moreover, the agencies are not required to harmonize and have not harmonized their decisions to 'Generally accepted principles' and with one another. They tend to favour certain segments of society.

But the need to establish sound principles is evident. The problem is 'not what managements and accountants or commissions would prefer in order to maintain their relative prerogatives. The question is what is best for the public, the investors and all of the segments of our society. Where and how can objective and effective decisions be made to establish accounting principles . . . which will present the facts in the fairest and most useful manner?'.

The solution: a 'United States Court of Accounting Appeals'. Not a new solution—a lawyer proposed one somewhat similar in 1938. A draft bill to set up such a court is included in the pamphlet. It would be a forum where accountants could advance and support professional reasoning. It would have powers to instigate accounting rules, review decisions of the regulatory agencies and hear appeals against their decisions. Its decisions would be written, with reasons, and would be made public. Its jurisdiction would be confined to the areas of the regulatory agencies. It would not be a body in the nature of a supra-accounting principles board—to consider and pronounce on all accounting principles only as they affected the agencies. It would complement, not eliminate, the activities of the board. It would give the pronouncements of that board additional stature.

Some Canadian differences are apparent. The regulatory agencies in Canada are probably not so wide in scope. Canada does not have an Accounting Principles Board.

Provincial jurisdictional rights cannot be lightly ignored. One comment in the pamphlet warrants Canadian attention. The question of establishing sound accounting principles should be discussed when there is no public pressure for a quick legislative solution. Fair determination of principles is not possible under the stress and strain of public demand

## **APPENDIX M (Continued)**

for immediate action. Under such conditions accounting principles might be changed with a vengeance and with results not fair to all groups involved.

There are many other texts and articles (an inordinate number seem to have appeared since the Atlantic collapse) but those mentioned above are indicative of the dilemma faced by accountants in the manner of "generally" accepted accounting principles.

More specifically, accountants have come to rely on their experience and judgment in applying principles. The Canadian Institute of Chartered Accountants, in an effort to standardize the accountants' professional approach to the principles applied, has issued through its Committee on Accounting and Auditing Research, certain research bulletins. These bulletins are designed to provide numerous guidelines and while they are not legally enforceable dictums, woe to the accountant who had deviated from these bulletins if he is challenged in some area of deviation.

When a new concept appears to create a general problem in the profession, the Committee on Accounting and Auditing Research will, if it feels that it is warranted, prepare a Research Bulletin (usually, now, these are preceded by comprehensive research studies). The bulletin will deal with the specific problem at hand. Unfortunately, it sometimes reaches the general practitioner after unsatisfactory, often serious, situations have developed.

In the immediate matter there are two bulletins which have some relevance, namely:

Bulletin Number 4—Accounting for Bad Debts Losses; and

Bulletin Number 15—Confirmation of Receivables

(The full text of each follows, since there will be reference to them from time to time throughout this submission.)

### **Bulletin Number 4**

#### **Accounting for Bad Debt Losses**

Because there are always some customers who cannot pay their debts, selling on credit necessarily involves credit losses. Such losses, as distinguished from amounts which are uncollectible because of damage to goods or failure to meet a specified quality or standard of performance, are "bad debt losses".

In accounting for bad debt losses, there are certain generally accepted practices which should be followed, namely: (1) An account or bill receivable should be written off as soon as it is known to be uncollectible or should be written down to its estimated realizable value as soon as it is known that it is not collectible in full. (2) Amounts subsequently recovered from accounts previously considered uncollectible and written off should be credited to profit and loss in the year of recovery; or, if

the account was charged against a reserve for bad debts when it was written off the recovery may be credited to this reserve. (3) If, after writing off all known uncollectible accounts, it is expected that some further losses will be incurred in collecting the accounts and bills receivable outstanding, including bills receivable under discount, a reserve for bad debts (or a reserve for doubtful debts) should be provided. This reserve should be determined in accordance with generally accepted practices whether or not this specific amount will be allowed for taxation purposes. (4) Irrespective of how the reserve is determined, under ordinary circumstances it should be the best possible estimate of the probable loss on accounts then outstanding, in the light of current conditions and assuming the continuation of the business as a "going concern".

### **Losses Applicable to Particular Year**

Over the entire life of an enterprise the amount of bad debt losses is readily determined and this amount should be deducted from revenue in ascertaining the aggregate profit or loss for the enterprise. It is a more difficult problem, however, to determine the bad debt losses applicable to any one year and various methods of calculating the reserve for bad debts, and consequently the amount of the expense, have been followed. The committee is of the opinion that the amount of the reserve for bad debts at the end of a fiscal period, and therefore the charge to the profit and loss account for the period, should be calculated with reference to the accounts outstanding at the end of the fiscal period after taking into consideration all circumstances known at the date of review.

### **Determination of Reserve Required**

The estimated reserve required is a matter of opinion and the actual loss eventually sustained may be more or less than the estimate. The variation will depend not only on the pessimism or optimism of the estimator but also on events which have yet to occur and which cannot be foretold, such as future collection policies of the enterprise and future business conditions. The impossibility of making an exact forecast does not, however, relieve the management of the responsibility of making a careful estimate of the reserve required.

No formula can be set out which, by itself, provides a means by which the amount of a reserve can be determined. The nature of the particular business, the class of customers, the frequency and value of individual sales, the collection policy, the efficiency of the collection department and general business conditions at the time are all factors which must be taken into account.

### **Accounting for Bad Debt Losses**

There are, however, certain general practices which should be followed and these are set out below:

(a) In ordinary circumstances, an enterprise is to be considered as a "going concern" and no allowance need be made for the additional costs of collection which would be incurred if the enterprise were liquidated.



## **APPENDIX M (Continued)**

(b) In the case of accounts which are no longer active, the expected loss on ultimate realization, including legal and other direct collection costs (if any) which may have to be incurred, should be estimated for each account.

(c) All businesses, however, do not stop selling to a debtor as soon as there is a possibility, or even a probability, of loss. In some cases, to do so would force the customer into immediate bankruptcy with the resulting loss of the balance presently outstanding; whereas a continuation of credit on a restricted basis over a period of a year or more may give the customer an opportunity to restore his financial solvency or, if not, to reduce the balance owing on the account and so reduce the loss. For this or other reasons, many businesses continue to sell accounts on which there is a known probability of loss, and in such cases, the reserve for bad debts should include some provision against the probable ultimate loss on such accounts even though the actual balance outstanding at the end of the year may be paid in the following year. While it is presumed in the above remarks that an individual appraisal will be made of each account, this is not always practical. In some cases, a similar result may be obtained by aging the balance outstanding (e.g. current, 30-60 days, 60-90 days, over 90 days) and by applying to the totals so determined varying percentages based on past experience, or an individual appraisal of larger balances may be combined with an aging of smaller balances. In some instances the annual provision for bad debts may be arrived at by applying a fixed percentage, calculated in light of the bad debts' experience of prior years, to the sales for the year. Where this or any other alternative method is followed, the resulting reserve should be reviewed from time to time to see that it is not materially more or less than the amount which would be required on the basis of providing for the probable loss on the accounts outstanding at the balance sheet date.

The committee also recognized that under the unusual conditions brought about by the war an abnormal credit situation developed. As a result many enterprises carried forward reserves for bad debts in excess of the probable loss should realization of the accounts be achieved under these abnormal conditions. In such cases, the existing reserves were carried forward on the assumption that they would be needed as soon as conditions changed. It follows that whenever such abnormal conditions end, the justification for exceptions from general practice ceases.

### **Bulletin Number 15**

#### **Confirmation of Receivables**

The Committee on Accounting and Auditing Research has generally limited its bulletins on auditing to questions of professional standards and the forms of auditors' reports, in which a measure of uniformity is desirable. In the opinion of the committee, a bulletin setting out standards of auditing procedures should be issued only when the exceptional nature of a problem calls for formal recognition of an acceptable practice.



Members of the Institute have suggested that the committee should clarify the status of the procedures of confirmations of accounts and notes receivable by communication with debtors, and the status of alternative procedures in lieu of such communication.

### **General Use of Direct Confirmation Procedures**

In the process of forming an opinion as to the fairness of the financial statements, the auditor follows various procedures with respect to accounts and notes receivable to satisfy himself that the accounts and notes are authentic, and to evaluate their probable collectibility. The comments in this bulletin are directed mainly toward the auditing procedures related to the authenticity of accounts and notes receivable.

The committee considers that some form of direct confirmations of accounts and notes receivable by communication with debtors is a useful auditing practice which has gained general acceptance. At the same time, the committee recognizes that there are circumstances where direct confirmation would be impracticable or harmful to the client's business. In these exceptional cases other procedures may be available to the auditor, as indicated in paragraphs 14 to 18 of this statement. Some of these other procedures may also be appropriate even when direct confirmation is carried out.

### **Purpose and Timing**

Communication with debtors assists the auditor in substantiating the balances which his client's records show as receivable, and may assist him in appraising the effectiveness of the client's system of internal control over the receivables.

The confirmation may be undertaken at a date other than the end of the financial period, if the auditor is satisfied that the result of the confirmation at that date is a reasonable indication of the authenticity of the accounts and notes receivable shown on the balance sheet. The auditor should take into account any material alteration in the circumstances between the date of confirmation and the date of the balance sheet, such as seasonal variations in sales and changes in personnel or in accounting and control procedures.

If internal control is not effective and communication with debtors is used to check the authenticity of receivables, the confirmation should be undertaken at or near the end of the financial period.

### **Type and Extent of Confirmation**

The conditions encountered in each audit engagement will determine the choice of confirmation procedures and the extent to which they are applied, but certain suggestions may assist the auditor in exercising his independent judgment in selecting the appropriate procedures in each case.

The communication may include a request that the debtor reply to the auditor only in the event of disagreement (i.e. "negative confirmation"), or the debtor may be asked to reply in any case (i.e. "positive confirmation"). Sometimes combinations of positive and negative confirmations

## APPENDIX M (Continued)

are used. The procedures may be applied to all debtors or to a sample only.

The positive and negative forms or confirmation each have certain applications and the choice between them will depend on circumstances. The receipt of a positive confirmation provides better evidence of the correctness of an account than does failure to receive a protest under the negative form of verification. The negative form of circularization, however, is simpler and less time consuming and consequently may permit coverage of a larger number of balances.

Negative confirmation suffers from the fact that it does not always receive consideration from the debtor, and consequently a failure to reply does not necessarily signify agreement. Positive confirmation will seldom produce replies to all requests, but it sometimes has the advantage of producing useful information in cases where the customer is not prepared to confirm or is unable to do so.

Positive confirmation would be preferred:

- (a) for individual balances of relatively large amounts; or
- (b) where there are few debtors; or
- (c) where there is evidence or suspicion of serious errors or irregularities.

For many audit engagements, a combination of positive requests for at least a sample of large accounts, and negative requests for at least a sample of smaller accounts, will provide a suitable coverage.

### Other Procedures

While accepted auditing practice normally includes communication with some or all of the debtors, situations are sometimes encountered in which this form of confirmation would be ineffective. For example, certain debtors may not comply with the confirmation request because their bookkeeping is decentralized or mechanized and does not lend itself to convenient assembly of the creditors' whole accounts.

Where communication with debtors is deemed to be impracticable or harmful, the auditor must seek other means of satisfying himself that the receivables are authentic. Suitable procedures will vary greatly in different engagements and the suggestions which follow are not intended to cover all possible situations.

Collection of an account subsequent to the date of the balance sheet may provide corroboration if there is evidence that the payment was received from or on behalf of the debtor and that it was in satisfaction of a specific account or item.

Examination of internal evidence such as customers' orders and correspondence files, shipping documents and billing records, and stock control procedures, is useful in substantiating the receivables.

Requests to debtors for confirmation of specific lists of payments, or requests for a listing of recent payments or of payments made in a specific period, can be useful alternatives to direct confirmation of accounts or balances.

### Qualification of Auditor's Report

In general, procedures substituted for communication with debtors are found to be less satisfactory and more costly, but they are recognized as acceptable procedures in some circumstances where direct confirmation is not practicable. Where the auditor is not satisfied that he has established the validity of the receivables, either by communication with debtors or by adequate alternative procedures, he should qualify his report.

### Bulletin Number 4

It will be noted that there is no reference whatsoever in Bulletin Number 4 to any of the following items:

1. Financial statements of debtors
2. Security given for debts
3. Interest charges
4. Procedure manuals
5. Credit files

In the case of finance companies, these are all important aspects of the operation. The omission of any reference to them in the bulletin merely points up that the bulletin was not designed to deal with finance company receivables. It is directed at book debts which arise in the ordinary course of trade where goods or services are sold on normal credit terms.

An examination of Bulletin Number 15 indicates that the same interpretation holds true for it.

We have made an exhaustive search of the accounting literature available which deals specifically with bad debt losses and audit procedures for finance companies. We found nothing pertinent dated prior to the Atlantic collapse. That is to say, no clear-cut, defined principles or procedures have been noted in the literature of accounting which relate specifically to bad debt loss accounting and auditing for financial companies.

As recently as January 1967, in the Canadian Chartered Accountant, Mr. L. M. Neilson, C.A. (partner in McDonald Currie & Co.) concludes an article entitled "Finance Companies Audit of Loss Provisions" with the following paragraph.

This article has attempted to describe what could be considered as recognized or accepted auditing procedures but it must be stressed that, because of the nature and variety of transactions of large finance companies and their own internal procedures, *standard audit procedures cannot be said to exist.*



## APPENDIX M (Continued)

It should not be concluded that principles and/or procedures do not exist, but rather that there is a dearth of literature on the subject.

In all financial statements certified by Chartered Accountants, the auditor's report contains words on the following order: "in accordance with generally accepted accounting principles". What are these principles?

We intend to deal with two that have found general acceptance in the accounting profession and which are applied, not only to finance company accounts but, to every type of business. They are:

1. Conservatism
2. "Going concern" concept.

(The submitters acknowledge the comments by J. C. Ray in "Independent Auditing Standards", a text book now used in the fifth year of the Canadian Chartered Accountancy curriculum. Mr. Ray states (Chapter 14, page 367, under the heading "Conservatism") that, "Conservatism (which results in resolving debts in favour of understating assets and current income and overstating liabilities and current expenses) is a philosophy or attitude and *not* an accounting postulate or principle". While this definition may stand up in theory, for all practical purposes it becomes a matter of semantics. For since accounting began, conservatism has been a fundamental principle applied in all accounting practice.

### 1. Conservatism

The accounting profession, in its formative years, developed within an attitude rather than a framework; the attitude of conservatism. Bromides such as "Provide for all possible losses" and "anticipate no profits" made up the definition of conservatism. No attempt was ever made to deal with the degree of conservatism to be applied; it was assumed that when in doubt, ultra-conservatism should be the order of the day and the auditor (or accountant) was, if nothing else, safe.

Some insight is given in Finney and Miller (quoted above) at page 121, in the Chapter on Accounting Principles and Conventions which states:

#### Conservatism

In the past, accounts were primarily concerned with presenting a conservative picture of the financial balance sheet as a primary, and the income statement as of secondary importance. Moreover, they were inclined to assume that a conservative balance sheet was a good balance sheet for all purposes, and that balance sheet conservatism automatically resulted in proper and conservative income statements.

The emphasis upon the balance sheet and upon conservative asset



valuations and liability loss provisions doubtless resulted from the fact that, in the early days of the development of accounting, the services of public accountants were required principally for the preparation of reports for bankers and other grantors of short-term credit who were primarily concerned with the question of the margin of security. For many years, bankers and other short-term creditors were much more interested in the balance sheet than in the income statement, and they were naturally disposed to regard balance sheet conservatism as a safeguard and hence a basic virtue. It was natural that accountants should be influenced by their attitude.

While balance sheet conservatism is still regarded as an accounting virtue, the time-honored emphasis upon the balance sheet and upon conservatism in asset valuations has been subjected to critical reconsideration, for several reasons.

First, it is recognized that, with the increase in the number of corporate stockholders who are not active in the management, accounting reports must serve the requirements of investors as well as of short-term creditors. Ultra-conservatism may be prejudicial to the interests of stockholders or other security holders who, having been led to believe that the company in which they have made investments is less prosperous than it really is, may sell their securities for less than they are really worth.

Second, ultra-conservative accounting may not reflect a net income acceptable for tax purposes. A plea of conservatism will not justify an understatement of income which would result in an avoidance or evasion of income taxes.

Third, the income statement is coming to be recognized as having an importance at least equal to that of the balance sheet, and accountants are becoming increasingly aware that adherence to a doctrine of balance sheet conservatism may result in incorrect, and even unconservative, income statements. It may be conservative from the balance sheet standpoint to charge operations with fixed asset expenditures which should be capitalized, or provide excessive reserves for depreciation and bad debts, but the resulting income statements are distorted (where): there are excessive charges to income in one period, and subsequent periods are relieved of charges which are properly applicable to them; the income statements of these subsequent periods are therefore unconservative. Some accountants have advocated writing off bond discount and expense by a charge to surplus during the period of the issuance of the bonds, in order to clear the balance sheet of a deferred charge which has no realizable value. An accountant who has taken such an action may pride himself of his conservative balance sheet, but he has overlooked the unconservative overstatement of net income during the life of the bonds which results from relieving operations of a part of the cost of borrowed money. If an expenditure or a cost which can be presumed to be essential or beneficial to the operations of more than one period is charged either to surplus or to current income in one period, the income statements for all periods are distorted, and the income statements for the periods, which are relieved of their just portions of the cost are the opposite of conservative.

## APPENDIX M (Continued)

In the exercise of judgment and the formulation of opinion, the accountant should remember that the grantors of short-term credit are not the only persons who rely on his statements. He should bear in mind both the balance sheet and the profit and loss statement, since his policies, opinion and estimates affect both statements. And he should remember that one period should not be made to suffer unwarrantably for the benefit of another period, that correctness is a great virtue as conservatism, and that conservatism in the balance sheet may have a countereffect on the income statements of subsequent period.

In "The Elusive Art of Accounting: A Brash Commentary on Financial Statements" by Howard Ross, O.B.E., C.A., M.A.(Oxon), LL.D., D.ACC., a senior partner in Touche, Ross, Bailey and Smart, the author takes a rather extreme view on the subject. We quote here from a review of this book by Eric L Kohler, C.P.A. (Author of several texts on accounting and auditing) which appeared in the August 1966 issue of the Journal of Accountancy:

Ross's remaining proposals for financial statement reforms offer little of interest to readers south of the Canadian border, whatever their application may be north of it. He likes the report form of balance sheet; prefers valuing marketable securities at current quoted prices; would favour showing receivables at *'the value that the company would be willing to accept for them in cash at the balance sheet date . . .'* . . . These are, indeed, meager, if not negative contributions to statement reform.

The statement in italics above appears at page 158 of the book in the following context; "Receivables, like all other non-cash assets, should be stated as nearly as possible to the value that the company would be willing to accept for them in cash at the balance sheet date." In this case, as throughout the book, Mr. Ross implies the basic condition that value judgments are supported by (a) proper audit examination and (b) the application of sound independent judgment, before they can be accepted by the auditor.

Mr. Kohler's critique continues, as he quotes Mr. Ross:—

In final blows aimed at any vestigial doubting Thomas, Ross insists that *'we must be severe with the High Priests of conservatism*, of objectivity, of double entry, and with those who believe that accounting is an end in itself; and that *'without cavil or quibble . . . current values have to be adopted as the only legitimate goal of accounting'. Well, maybe. But, first, one must make a case for it.*

Mr. Kohler takes serious issue with much of what Mr. Ross has to say and the latter's lengthy rejoinder appeared in the September 1966 issue of the Journal of Accountancy. While most accountants would concur with Mr. Kohler's views it is difficult to determine how much they are influenced by mere habit and a natural resistance against change.

## APPENDIX M (Continued)

The effect on the practice of accountants by such apparently extreme divergence of opinion between two highly esteemed accounting authorities is difficult to assess.

Nevertheless, it can safely be said that accepted practice recognized conservatism as principle to be applied in judgment evaluations. However, the degree of conservatism is another matter entirely.

Two given accountants with identical experience may arrive at different evaluations on any given matter of judgment, particularly if they have personality differences. Professional judgment cannot be isolated from personal judgment. A professional accountant can no more divorce his personal "feel" from his professional knowledge than can a doctor or a lawyer; to do so might be to deprive the client of the very thing he expected when the accounting engagement was made.

It goes without saying that accountants who have recently graduated, given a choice, and recognizing a problem, are usually ultra-conservative, since they have little experience to draw on and while being "safe" may lose the client it may also protect the accounting degree.

### 2. "Going Concern" concept

The principle of evaluating assets on a going concern basis appears straightforward in its application. All accounting texts advocate the use of this principle in evaluating a business.

The alternative would be a liquidation basis, and this would apply only to the most exceptional circumstances where liquidation is, in fact, contemplated.

From Bulletin Number 4 (above)

(a) In ordinary circumstances, an enterprise is to be considered as a "going concern" and no allowance need be made for additional costs of collection which would be incurred if the enterprise were liquidated.

From:—"A statement of Accounting Principles" by T. H. Sanders, Harvard University Graduate, School of Business Administration, H. R. Hatfield University of California, and Underhill Moore, Yale University, School of Law, published in 1938 by American Institute of Accountants and reprinted in 1959 by American Accounting Association.

Another important convention in accordance with which statements are prepared is that the business is a going concern which will continue to operate on a more or less normal course. Everybody recognizes *that a forced liquidation would bring about large reductions in the asset values; that intangibles would usually disappear completely; that tangible capital assets would be sold at near scrap values; and that even current values would be seriously impaired.* But such valuations are not significant facts about the business in normal condition, expecting to turn its assets in the ordinary course of trade. The course of trade is therefore one of



## APPENDIX M (Continued)

the factors to be taken into consideration when applying judgment to the amounts to be stated in the accounts, but this does not as a rule contemplate the forced liquidation of the business. What is sometimes referred to among bankers as the "pouncing" value has no place in the balance sheet of a company which probably will not be pounced upon for the satisfaction of its liabilities.

The application of the above noted principles cannot be based solely on the results of examining documentary evidence. The auditor must call upon his judgment and, moreover, he must obtain information and explanations from management in the areas where special knowledge of the company (or of particular matters) is required.

Until 1959 the form of auditors' report recommended by the Canadian Institute of Chartered Accountants Committee on Accounting and Auditing Research was as follows: "I have examined the balance sheet of (name of company) as at (date) and the statements of profit and loss and retained earnings for the year ended on that date and have obtained all the information and explanations I have required".

Bulletin Number 17, issued by the Committee in October of 1959, deleted the phrase "and have obtained all the information and explanations I have required". Although the use of this phrase was carried on by some of the very large firms as late as 1964, it is now (virtually) no longer in use.

Under ordinary circumstances there would appear to be no problem for the auditor. He makes his independent judgment but not without explanations provided by management. In matters of principles which are measured by degree (viz. conservatism) he must avail himself of the intimate knowledge and experience of management to assist him in making his judgment. If it turns out that he has been misled, or that management's judgment was faulty, he may be censured for relying too heavily on management. This, of course, is the responsibility he assumes when he accepts an engagement.

It may be said that an auditor must draw on his experience and judgment in order to determine which principles are to be applied and the extent of their application. He will face problems when (a) the business under review is new and inexperienced (b) the type of business is new, so that there is limited resource material available to him (c) he is deliberately misled in any way by those upon whom he has a right (and a duty) to place some reliance and (d) he encounters well concealed fraud.

When there is a lack of information the accountant (or auditor) is expected to make additional examinations; he must be satisfied that there is sufficient information for him to make a fair assessment and he will pursue the matter until he can certify the statements or, failing the necessary requirements, attach his disclaimer.



Misinformation is not so easy to deal with. The following comments by J. M. R. Wilson, from the Financial Post article quoted above, have some relevance:—

But, as a learned English judge said many years ago, ‘Auditors must not be made liable for tracking out ingenious and carefully laid schemes of fraud, when there is nothing to arouse their suspicion, and when those frauds are perpetrated by tried servants of the company and are undetected for many years by the directors. So to hold would make the position of the auditor intolerable’.

And let me assure you, no audit program or no audit technique has yet been devised to detect some frauds which can be perpetrated by senior officials of the company.

Specific testimony given before the Commission has indicated that “generally accepted accounting principles” are applied through some formula and the variance of the accounting based on their application is limited, perhaps within ten per cent. Moreover, it has been suggested that a plethora of literature exists on the subject of accounting and auditing in the specific area of Finance company accounts. It is apparent from the sources quoted above that this is far from being the case.

## 2. THE POST MORTEM

There are four curricular lessons in the Canadian Chartered Accountancy Course of instruction devoted to the topic called “Business Investigations”.

In “Auditing” by R. G. H. Smail (Fifth Edition—1962), which is used in The Canadian Chartered Accountancy Course, we find at page 269, the following:

### **Business Investigations:**

#### *Nature of Business Investigation*

An investigation, as the term is used by accountants, is an examination into accounts and affairs with a particular purpose in view other than the verification of annual financial statements. An investigation is something more than an audit and frequently includes in its scope data and considerations additional to those found in the accounting records. e.g. factors of management, engineering, etc. It is further distinguished from an audit by the fact that it is a non-recurring engagement, whereas an audit is a continuing engagement in which much the same ground is covered time after time. In terms of the much-abused metaphor employed by Lopes, L. J., it may be said that the accountant is functioning as a “watchdog” when conducting an audit, and as “bloodhound” when he is engaged upon an investigation.

Clearly an investigation so defined calls for a much higher degree of initiative and a much livelier exercise of imagination than does an audit. In the audit the accountant is usually working over familiar ground by

## APPENDIX M (Continued)

familiar methods, and experience gained on one occasion can be stored and used on successive occasions. In the investigation—unless it be one of a common type constantly repeating itself—the accountant has no set starting point, no routine method, and possibly no clearly defined objective. And even if the investigation be of a common type, as e.g. for the preparation of a prospectus certificate, the variety of situations that may be encountered is unlimited. For these reasons and also because most types of investigation call for a mastery of techniques additional to that of auditing, e.g. business finance, industrial and personnel administrations, etc., it is not within the province of an auditing text to provide the whole of the equipment essential to the investigator. The possession of initiative, and practice in its application, are all-important.

Subsequent to the Atlantic default auditors were engaged to “superimpose” audits in various areas of the Atlantic and subsidiary accounts. From our examination of the testimony of these auditors it appears that they performed “something more than an audit” and included “data and considerations additional to those found in the accounting records”.

An investigation of a bankrupt company (particularly after evidence has been disclosed which suggests some impropriety) bears the same relationship to an audit that an autopsy bears to a medical examination. The investigator, try as he may, can no more dismiss from his knowledge the fact that the company is bankrupt than the coroner can ignore the fact that the patient is dead.

To completely dismiss hindsight would require of the post-default auditors an impossible assumption; they would have to completely ignore their *raison d'être*.

From Smail's definition of an investigation (above) it can be seen that the investigators performed the “bloodhound” rather than the “watchdog” function.

One need only examine the different interpretations placed on the following events depending on whether the interpretation was made before or after the default.

### *1. Increasing Loans to relatively small number of customers.*

Before:—(a) a deliberate move to keep the clientele small for control purposes while expanding business at the same time. (b) a yardstick of confidence in the customer.

After:—(a) refusal to accept a small loss and (b) providing a device for capitalizing interest.

### *2. Rate of growth.*

Before:—ingenuity of management of the enterprise.

After:—lack of discriminating practice in granting loans and generally poor judgment.

3. *Concentration of audit and accounting engagements with the same firm of accountants.*

Before:—a measure designed to provide management with more reliable information, since they used their own accountants in the customers' accounts.

After:—carefully detailed statistics of the accounts so serviced with no conclusions stated.

The investigators completed thorough and detailed investigations and while they did not uncover a great deal of information from within the conventional books of accounts which was not previously known to the auditors, they have been able to pursue the same information and interpret it better because of the default.

We looked to management for guidance in assisting us in making a judgment; it appears that we may have been deliberately misled but at the time we had no reason to act any differently.

The investigators were not hampered by this obstacle. They have testified that statements, which are the responsibility of management, were false and/or misleading and that they could be construed as fraudulent. This being the case we again refer to Mr. Wilson's apt comments (above) which should define our position. "And let me assure you, no audit program or no audit technique has yet been devised to detect some frauds which can be perpetrated by senior officials of the company".

Although it is not specifically pertinent one can look elsewhere to find the enormous difference between pre-default and post-default accounting techniques applied to finance companies. The best example would be one of Canada's largest finance companies (over \$300,000,-000.00 in receivables), namely Laurentide Acceptance Corporation Limited; changes in the methods of bad debt evaluation introduced in 1966 resulted in a variance which was something on the order of \$18,-000,000.00 in one year.

We can conclude that were the investigators' and auditors' positions reversed, the conclusions drawn by each would have also been reversed.

Dated at Toronto this 11th day of May, 1967.

Respectfully submitted

Albert → ~~ALLAN~~ M. LANDO,  
A. MARTIN FRUITMAN.

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## APPENDIX N

**Submission of  
The Federated Council of  
Sales Finance Companies**



Submission by  
THE FEDERATED COUNCIL OF SALES  
FINANCE COMPANIES  
to the  
ROYAL COMMISSION ON ATLANTIC ACCEPTANCE  
CORPORATION LIMITED  
TORONTO, ONTARIO MAY 11, 1967

(Note: Four of the five Appendices to this submission have been omitted.  
Appendix 4 is the Canadian Sales Finance Long Form Report and is included).

MEMBERS OF  
FEDERATED COUNCIL OF SALES FINANCE COMPANIES

Acadia Acceptance Co. Ltd., Vancouver  
Ace Finance Corp. Ltd., Montreal  
Acme Acceptance (London) Ltd., London  
Alliance Credit Corp., Montreal  
Associates Acceptance Co. Ltd., Toronto  
Atlas Acceptance Corp. Ltd., Toronto  
Baker Acceptance Corp. Ltd., Toronto  
British Acceptance Corp. Ltd., Vancouver  
Canadian Acceptance Corp. Ltd., Toronto  
Citizens Finance Co. Ltd., Windsor  
The Commercial Acceptance Corp. Ltd., Toronto  
Commercial Credit Corp. Ltd., Toronto  
Commonwealth Acceptance Corp. Ltd., Vancouver  
Credit St. Laurent Inc., Trois Rivières  
Danforth Discount Ltd., Toronto  
Delta Acceptance Corp. Ltd., London  
Empire Acceptance Corp. Ltd., Vancouver  
Finance Locale Inc., Mont Joli, Quebec  
Founders Acceptance Corp. Ltd., Winnipeg  
Frontier Acceptance Corp. Ltd., Willowdale, Ontario  
General Finance Corp. Ltd., Calgary  
Goldale Acceptance Ltd., Toronto  
Industrial Acceptance Corp. Ltd., Town of Mount Royal, Quebec  
Labrador Acceptance Corp., Montreal  
Laurentide Financial Corp. Ltd., Vancouver  
Linval Acceptance Corp. Ltd., Vancouver  
Neptune Acceptance Ltd., Toronto  
Ocean Company Ltd., Windsor, Nova Scotia  
Pacific Finance Acceptance Co. Ltd., Toronto  
Public Finance Corp. Ltd., Winnipeg  
Raleigh Acceptance Corp. Ltd., Willowdale, Ontario  
Residsco of Canada Ltd., Toronto  
Robertson Finance Corp. Ltd., New Westminster  
Seaboard Finance Company of Canada Ltd., Toronto  
Seyern Investment Company Ltd., Orillia, Ontario  
Signature Finance Ltd., Edmonton  
Superior Finance Co. Ltd., Bashaw, Alberta  
Traders Group Limited, Toronto  
Triad Acceptance Corp. Ltd., Toronto  
Tri-State Acceptance Co. Ltd., Winnipeg  
Union Acceptance Corp. Ltd., Toronto  
United Dominions Corp. (Canada) Ltd., Toronto  
Western Acceptance Corp. Ltd., Vancouver





Submission by

THE FEDERATED COUNCIL OF SALES FINANCE COMPANIES

to the

ROYAL COMMISSION ON ATLANTIC ACCEPTANCE CORPORATION LIMITED

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PART 1

INTRODUCTION

The failure of Atlantic Acceptance Corporation Limited at once resolved several forces operating on the sales finance industry in Canada, while setting in motion other forces, the nature and scope of which ensure that they will be felt for several years to come. Because these forces are likely to affect the sales finance industry in Canada, the Federated Council of Sales Finance Companies has an interest in presenting its views before the Royal Commission and it does so on behalf of its 43 member-companies.

At the outset it should be made clear that the members of Federated Council have no definitive information to submit regarding the operations of Atlantic Acceptance Corporation Limited. Atlantic Acceptance Corporation was a competitor of these member-companies and while this fact might be sufficient to prejudice our evidence if we had any to submit, it is more important to recognize that, as competitors, we were not privy to the operations of the company.

The Federated Council of Sales Finance Companies is, however, able to provide the Royal Commission with a description of -

1. its role in the industry as a forum of the industry;
2. the nature of a sales finance company in Canada, its applications and sources of funds;
3. the economic environment of the industry both before and after the failure of Atlantic Acceptance;
4. the changes that developed in the money markets during the past few years and the responses of the corporations within the industry that were aimed towards making it more difficult for an event such as Atlantic Acceptance Corporation to be repeated; and finally,
5. certain operating features of a typical sales finance company operating in Canada from Council's vantage point as a forum of the Canadian sales finance industry.

#### FEDERATED COUNCIL OF SALES FINANCE COMPANIES

The 43 members of the Federated Council of Sales Finance Companies account for approximately 70 per cent of the sales finance credit extended by the industry to consumers and 90 per cent of the instalment credit provided by the industry to business for machinery and equipment purchases.

The Council was formed in 1957 as the national association of sales finance companies by representatives of the leading sales finance companies in Canada with the following objectives:

1. To promote, foster and develop in every way the sales finance industry and the interests of the firms and corporations engaged in such industry for the benefit of the industry, its members and the public.
2. To provide a forum for the discussion and study of all matters pertaining to the sales finance business and to provide a means of distribution to its members of information pertaining to any problem or matter affecting the industry.
3. To promote policies calculated to inspire an increasing public confidence in the sales finance business and to improve standards in the industry.
4. To study legislation, both federal and provincial, on or in connection with all matters pertaining to the industry and, if authorized by resolution of its members, to act on behalf of the members in making recommendations and representations to governmental authorities and bodies, federal and provincial, on all matters.
5. To co-operate with and assist, and to encourage its members to co-operate with and assist, all organizations and agencies striving to improve economic and social conditions.

We submit the By-laws of Federated Council to the Royal Commission.\* Under By-law 4.2 you will read that any sales finance company that is not a subsidiary of a dealer is eligible for membership in the Council. As such, Atlantic Acceptance Corporation was a member of the Federated Council from 1962 to 1965. Under By-law 4.6 you will read that there is provision for discontinuing the membership of a company, but this provision has not been employed during the history of Council. It is because of the permissive environment that Council has a position of advantage and can develop a point of view which may be of use to the Royal Commission in as much as Council is close to the operations of the companies without being a party to their activities.

Reference was made in the first paragraph to the failure of Atlantic Acceptance Corporation resolving certain forces that were operating in the industry. To illustrate allow us to present a purely hypothetical case. We emphasize that the case is hypothetical and may or may not bear any relationship to Atlantic Acceptance Corporation.

First, it should be understood that a corporation with money to let can place its funds quickly and easily provided it does so indiscriminately. If the company places the funds without ever intending to collect them; or though it intends to collect,



makes the penalties for default of the repayment contract negligible; or by taking inadequate security renders the repayment contract unforceable, in such cases the corporation with funds to place will find no difficulty in placing them.

Second, the influence of the indiscriminate credit-grantor in the market place will be felt on all other credit-grantors. Whether or not this influence materially affects operations depends upon the size of the corporation. For if the company is a small company its influence will not be noticed in the total market. On the other hand, if the company represents a substantial portion of the market, then its influence will force other credit-grantors to either leave the business or follow the same pattern by competing on relatively equal terms.

The distinction of size is important in the case of Atlantic Acceptance Corporation, for it should be recognized that Atlantic Acceptance was not a large company. When the Federated Council was compiling the data for submission to the Royal Commission on Banking and Finance, it concentrated particularly on data submitted by the 10 largest companies in the industry in Canada. Atlantic Acceptance was not one of those 10 in 1962. Rather it was one of the several that could be called medium-sized companies at that point in time. As such, if there is any comparison between the hypothetical case referred to above and Atlantic Acceptance Corporation,

it should be noted that its influence in the market place would not materially affect the competitive practices of the industry. Nonetheless that influence would have been present, whether materially or not.

Third, to sustain its lending operations this hypothetical corporation may enter the money markets. When it can give investors a record of growth and profitability which appears sound, notwithstanding its credit-granting practices, its influence is likely to be substantially greater in the money market than in the market for customers. Large investors in sales finance companies are relatively few and are organized into a market by a substantially smaller number of investment dealers. The exchange of public information on growth and profit between investment dealers and between investment dealers and investors is not likely to be restricted.

In the case of Atlantic Acceptance Corporation it was able to show a rate of growth far in excess of that of its competitors, while the growth appeared to be substantially sound by reason of the profits that were shown on its audited statements.

The failure of Atlantic, then, was a vindication of the more conservative management in the industry. Whatever small influence Atlantic may have had on credit-granting practices in the market place was at once dismissed. However, so great was its influence among investors, the vindication of conservative management was not as sweet as it

might have been, since the failure of Atlantic adversely affected the confidence of investors in all sales finance companies. This was protested by Michelman and Hanf, financial consultants in New York City who specialize in placing sales finance company paper with investors. Their newsletter dated August 9, 1965, reads as follows:

"... a few institutions have told us they have decided to buy no more finance company long-term notes for the time being. This is like saying that because you heard that someone got trichinosis from eating unsalted pork, you'll never again eat meat of any kind! We believe that any institution which reaches such a conclusion is doing a disservice not only to all sound finance companies, but also to itself. It is denying itself the opportunity to purchase the very type of investment which best fits its own portfolio requirements.

"We think, rather, the lesson to be learned is the fact that the 'finance industry' is really a group of finance businesses which differ very greatly from each other, and which should not be grouped together in anyone's thinking. Just quickly we might list (alphabetically) a dozen different kinds of finance businesses:

- Accounts Receivable Financing
- Automotive Sales Financing
- Commercial Loans
- Consumer Goods and Services Sales Financing
- Direct Consumer Loans ('Small Loans', etc.)
- Factoring
- Heavy Equipment Sales Financing
- Home Improvement Financing
- Leasing (Automotive and Equipment)
- Mobile Homes Sales Financing
- Real Estate Financing
- Shell Homes Financing

"There are more. The point is that each of these businesses is completely different from the others. Not only are the respective risks and exposures different, but their very concepts and thinking differ. They require different personnel and different procedures. The experience of one area is frequently not at all applicable to the others, and conclusions reached respecting one are not necessarily valid respecting the others. Consequently, any institution which invests in or lends to the 'finance industry' must inform itself as to the basic differences between the industry's components and determine its policies accordingly."



PART II

NATURE OF A SALES FINANCE COMPANY

Before going further into the details of the impact of the failure of Atlantic Acceptance on the Canadian sales finance industry, it would be well to review the operations of a typical sales finance company.

A sales finance company is engaged principally in the purchase of instalment sales obligations resulting from the sales of automobiles, trucks, industrial and commercial equipment, and other durable goods. Generally, financing covers sales from the manufacturer to the dealer, and from the dealer to the consumer. Many sales finance companies also have other forms of receivables, for example, consumer loans, dealer capital loans, and interim mortgage loans. Accordingly a very high percentage of the assets of a sales finance company consist of receivables. At the end of 1965, for example, the ten largest sales finance companies in Canada had receivables totalling \$2,278 million and assets of \$2,457 million. Almost 93 per cent of the total assets of the ten largest companies were held in receivables of all types.

Sales finance companies were formed in Canada after World War I, originally for the purpose of financing the purchase of automobiles. Operations continued on a comparatively small scale through the 30's and to the end of World War II. Since that time operations have expanded significantly to present levels.

Appendix Table 1 shows the balance sheet data for the ten largest sales finance companies as at their fiscal year-end 1953 through 1965.

Appendix Table 2 shows the percentage distribution of these same balance sheet data.

Table 1, which follows immediately, shows the change on index of certain groupings of accounts. The calculations are based upon the appendix tables.

The record of growth in assets for the ten largest companies could have been artificially inflated if, during the period, these companies had absorbed smaller companies. This did not take place: the business climate up to 1965 was generally such that small sales finance companies thrived and several new companies began operations.

You will note the rise on index of the total assets (and liabilities) of the ten largest companies from 100 in 1953 to 330 in 1965 - a rise of 230 per cent from an absolute base of \$838.6 million in 1953 to \$2,772.9 million in 1965.

On the assets side of the balance sheet, total receivables, less provision for doubtful accounts, rose only 178 per cent to 278 on index compared to a 230 per cent rise in total assets. The difference was made up by a 2,442 per cent rise in investments in subsidiary and associated companies which rose from an absolute base in 1953 of

## CHANGES IN INDEX OF SELECTED GROUPINGS OF BALANCE SHEET DATA

## OF THE TEN LARGEST SALES FINANCE COMPANIES

Fiscal Year End 1953 - 1965

(1953 = 100)

	Total Assets and Liabilities	Net Receivables	Investments In Subsidiaries and Associated Companies	Total Equity Accounts	Total Notes, Bonds, Debentures and Bank Borrowings
1953	100.0	100.0	100.0	100.0	100.0
1954	91.1	89.4	140.4	117.1	86.0
1955	108.9	108.6	174.6	136.0	106.7
1956	146.0	144.8	262.7	165.1	143.0
1957	153.3	149.0	310.4	170.5	152.4
1958	147.5	141.7	329.4	197.7	140.5
1959	174.5	156.6	496.1	209.0	171.1
1960	194.1	172.0	732.9	227.0	191.7
1961	188.6	160.3	1,108.4	256.0	179.1
1962	215.7	182.1	1,445.8	275.0	208.6
1963	250.5	207.9	1,905.8	312.4	243.3
1964	284.2	233.4	2,191.7	329.2	282.9
1965	330.6	278.5	2,542.0	365.9	302.0

\$18 million to \$464 million in 1965. These investments accounted for 2 per cent of total assets in 1953, against 17 per cent of total assets in 1965.

The examination of the liabilities side of the balance sheet shows no changes of moment to our enquiry.

We ask the staff of the Royal Commission to compare the balance sheet data of Atlantic Acceptance Corporation Limited to that of this record of the ten largest companies in the industry.

#### APPLICATIONS OF FUNDS

Although the activities of many companies have diversified during this period, the financing of vehicles is the principal activity of most large sales finance companies. Smaller companies either serve a regional market or have developed a particular specialty. Examples of the latter are to be found in the case of a sales finance company which concentrates on financing mobile homes. Another may concentrate on the financing of marine equipment. Still another does the bulk of its activity in financing general insurance contracts. Each of these cases require the development of a particular area of expertise since the credit judgements and methods of operations are somewhat dependent upon the nature of the product, which in turn



usually acts as security for the credit obligation.

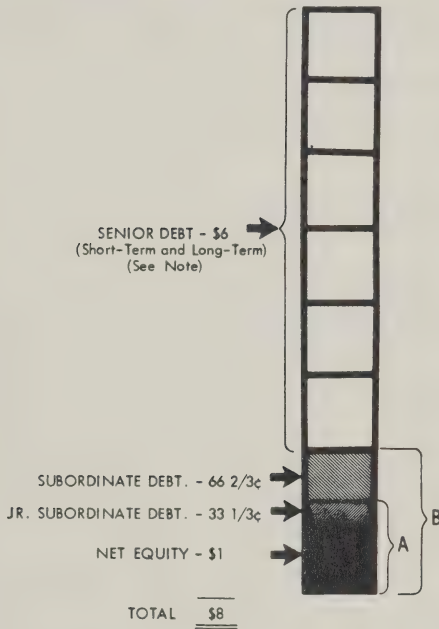
Setting aside these specialties, the usual development of a typical sales finance company has been to diversify from pure sales financing to the granting of cash loans through subsidiary small loan companies. Further diversification would lead the sales finance company to the development of a commercial and industrial division. This division would concentrate on the purchase of instalment sales obligations created during the purchase of machinery and equipment for industrial concerns. Latterly, there has been diversification by some companies in the interim mortgage and insurance fields.

#### SOURCE OF FUNDS

If the demand for the services and funds provided by sales finance companies in Canada were expanding through the post-war period, this expansion has only been realized by the ability of the sales finance companies to secure funds in other markets. The characteristic of the sales finance industry is its use of leverage. While smaller companies rely on bank loans, larger companies go to the market for debt capital. For such companies it is usual to think of the borrowing base as the equity capital (made up as it might be of surplus and common and preferred stock

issues) together with its subordinated debt. These two components are usually seen in a one to one ratio. On this borrowing base, the large sales finance company is able to obtain senior debt made up of unsubordinated long term notes and debentures up to a ratio of about three to one. This relatively high leverage is possible because its assets are relatively liquid.

"LEVERAGE" FACTOR  
in the  
CAPITAL STRUCTURE of FINANCE COMPANIES



A - SUBORDINATED BORROWING BASE  
B - SENIOR BORROWING BASE

NOTE: A Senior borrowing ratio of 3 times Senior Borrowing Base has been used in this chart. For consumer finance companies, this ratio is usually 2% or 3 times. For sales finance companies, this ratio is usually somewhat higher.

MICHELMAN & HANF  
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PART III

(The whole of Part III is a report of W. A. Beckett Associates Limited, consulting economists, to the Federated Council of Sales Finance Companies on the economic impact of the failure of Atlantic Acceptance Corporation Limited, for submission to the Royal Commission on Atlantic Acceptance Corporation Limited.)

This section provides a background analysis of the general economic and financial conditions in the Canadian and U.S. capital markets prior to, during, and after the collapse of Atlantic Acceptance Corporation in June 1965. It is designed to serve as a portion of the brief to be submitted by the Federated Council of Sales Finance Companies to the Hughes Royal Commission on Atlantic Acceptance Corporation. It specifically omits from consideration both the analysis and recommendations of the Federated Council of Sales Finance Companies on the question of adequate standards of financial disclosure for investors in finance company notes, and all matters pertaining to the internal operation of Atlantic Acceptance Corporation.

A. SUMMARY AND CONCLUSIONS

The conclusions of this analysis are as follows:

1. The collapse of Atlantic took place on the eve of one of the tightest and highest interest rate cycles in almost 50 years. While the immediate triggering device for the failure of Atlantic was the inability to roll-over a \$5 million short term note, it would be inaccurate to attribute this event to a sudden interruption in the availability of short term money in North American capital markets. To the contrary, at the time of the collapse of Atlantic, the general state of the money market can be described as having been still highly permissive, with little evidence, particularly at the short end of the market, of the rising interest rates and tightening in the supply of funds that were to follow a few months later. While one can make a case that at mid-1965 some distant early warning signs were appearing in financial markets to indicate a period of impending tightening, these signals (as seen for example in the Canadian chartered bank liquidity ratios and the sharp rise in their general loans) were only a faint indication of the degree of credit restraint imposed by the central banks in Canada and the United States during the closing months of 1965 and most of 1966.
2. In the weeks following the failure of Atlantic, there was a significant drying up in the short term funds available to Canadian finance companies, and this



expressed itself first in a contraction of outstanding short term notes payable in Canadian dollars. A study prepared for the Federated Council of Sales Finance Companies during the summer of 1965 revealed that virtually all of the Canadian sales finance companies were affected by this reaction to Atlantic, though the degree of impact tended to vary according to the size of the company and the domicile of its ownership (with an apparent smaller reaction to the subsidiaries of U.S. companies, whose parents guarantee the subsidiaries' note issues).

By far the largest impact was felt by those relatively small companies whose entry into the short term money market had taken place in recent years; in fact, it appears that for some of these companies access to the money market was virtually eliminated after the failure of Atlantic Acceptance. The normal historical experience of finance companies in earlier cycles of restrictive credit policy, has been to find a relatively responsive supply of funds (to their offer of higher interest rates) in the short term money market, but this response appears to have been absent in late 1965 and during a good part of 1966.

3. The extent of the drying up and the run-off is difficult to pin-point statistically, since there is a normal decrease in outstanding short term notes by Canadian

finance companies in the third quarter of the year, caused mainly by the seasonal pattern of automotive dealer wholesale financing requirements. It is the conclusion of the Federated Council that the echo effects of the decline in confidence diminished gradually, and that sometime towards the middle of 1966 a turning point in the supply of funds reappeared. This must be qualified by the view that the funds now available in this market are no longer as widely distributed among participating companies and that some companies have not yet regained their place in this market.

4. The extent of this recovery can most easily be seen from the fact that in March 1967 the amount of Canadian currency notes outstanding reached new peaks in excess of \$1 billion, exceeding the previous peak in the new and revised series (which excludes both Atlantic's notes, and parts of the issue of another company now merged with a U.S. firm). The latest amount of outstanding notes (\$1,012 million on March 22, 1967) is almost within reach of the peak of \$1,039 million reached in July 1964 in the older, more inclusive series.
5. Though individual companies may have found some resistance in selling long term secured notes following the failure of Atlantic, and certainly had to resort to paying progressively higher interest rates for such funds, the statistics for new

issues of long term notes do not suggest that there was a corresponding drying up in this segment of the capital market as a reaction to Atlantic. Judging from individual issues, this conclusion must also be interpreted selectively, as the calendar of long term financing in the 12-18 month period following the Atlantic Acceptance failure was dominated by those large sales finance companies whose credit rating had been relatively undamaged by the Atlantic Acceptance failure.

6. The confidence patterns of non-resident investors in Canadian finance company short term notes cannot be interpreted unequivocally, because at the time of the Atlantic Acceptance failure and in the period following it, the United States guidelines on capital investment abroad seemed to have played an important role in the overall participation of U.S. investors in this type of investment. Interestingly, in the period immediately following the Atlantic Acceptance failure, there was a moderate increase in the amount of foreign currency notes payable, and it was only during 1966 that liquidation started, continuing until year-end. Several views help explain this pattern. First, at the time of Atlantic Acceptance's failure, the spacing of maturities in the short term foreign currency notes was heavily in the 270 day to 360 day paper, which under the circumstances would not be maturing until the early or middle

## APPENDIX N (Continued)

part of 1966. If this is accepted, then the run-off that began at that time is certainly evidence of a withdrawal of U.S. participation in this market.

Second, the timing and step-up of the U.S. guidelines come into play, and this is certain to have had an impact since the type of funds involved are in any event highly volatile.

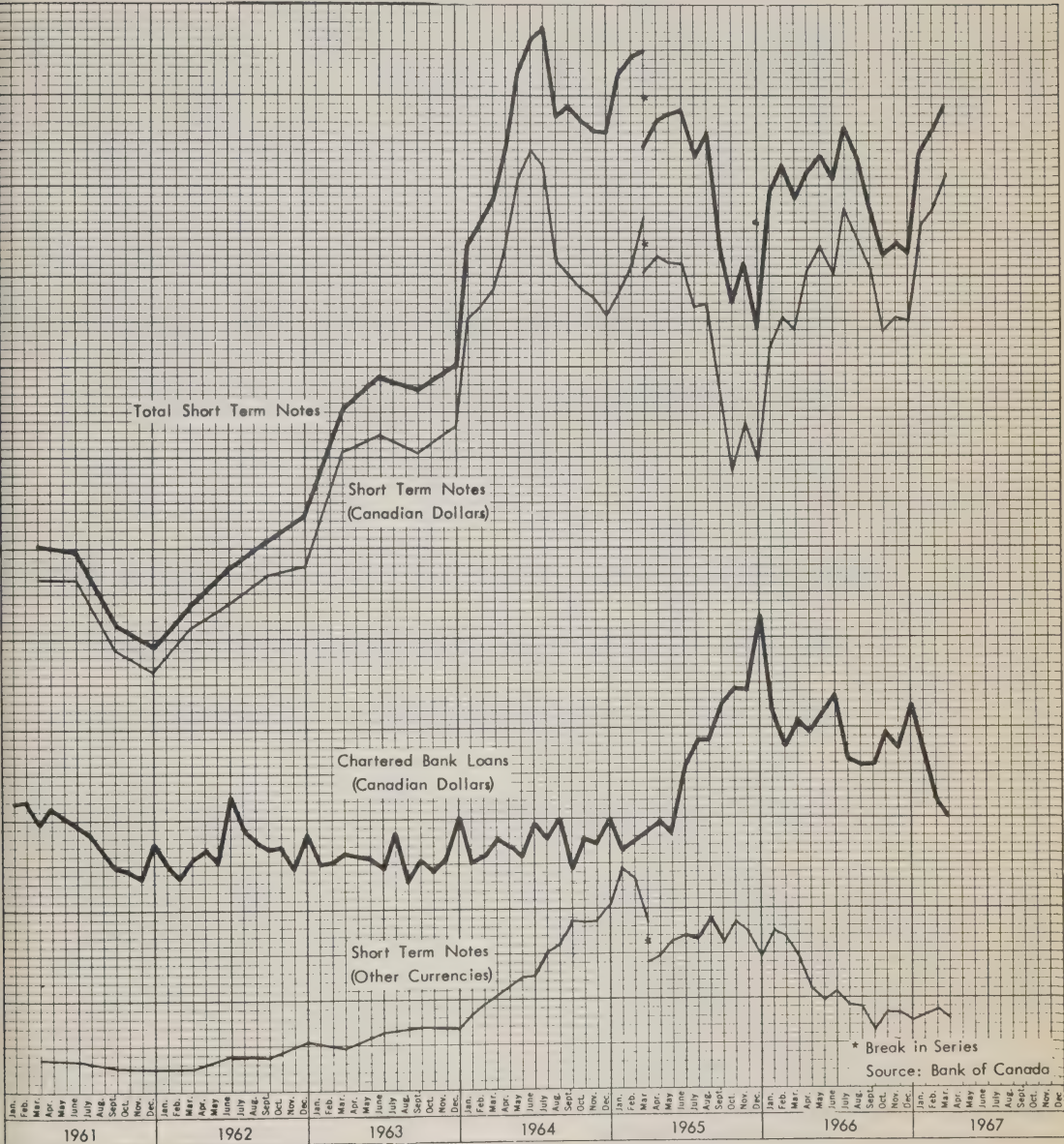
### B. ECONOMIC AND FINANCIAL CONDITIONS MID-1965

In the spring of 1965, the current cyclical expansion had completed its fourth consecutive year, having been interrupted only briefly in the second part of 1962 by the disturbance to financial markets in the wake of the devaluation of the Canadian dollar and the period of austerity. For the last 18 months of this period, the rate of expansion had accelerated, particularly in the business investment and consumer durable goods industries to which the volume of finance company business is particularly sensitive.

Turning specifically to the spring and the early summer of 1965, the Canadian economy was operating at a high and rising level of activity, yet without those signs of excessive enthusiasm or inflationary forces that were to come to the fore later that year and in early 1966. A brief run-down of some important economic indicators illustrates this point:



SHORT TERM NOTES OUTSTANDING AND CHARTERED BANK LOANS  
TO SALES FINANCE AND CONSUMER LOAN COMPANIES



1. Total output of goods and services (as measured by the gross national product) had increased by 9.1 per cent in 1964, and showed a further sizable jump of 3.5 per cent in the first quarter of 1965, partly because of a sharp acceleration in the rate of business inventory accumulation.
2. Among the price indexes, the highly sensitive industrial materials price index had declined from September 1964 to February 1965, and subsequently started to climb at a very moderate pace. Aggregate price changes in the economy, measured by the implicit price deflator for the gross national product, were showing, at worst, a modest upward pattern. General wholesale prices were stable, and even the Consumer Price Index, with its built-in upward bias, was showing relatively small monthly rises. Thus, one of the important features of this period was that most of the increase in the value of goods and services produced represented real gains, with only a small loss due to price inflation.
3. One other important economic indicator, reflecting the mood of the times, was the unemployment ratio in the labour force, which, from a high point of almost 8 per cent at the trough of the 1960-61 business recession had come down to a ratio of 4 per cent in the opening months of 1965. This was the first time since early 1957 that such a level of relatively low unemployment had been achieved in the Canadian economy.

4. Turning to some financial indicators, short term interest rates represented by the weekly tender rate on 3-month Treasury Bills had fluctuated in a narrow range between 3.53 per cent and 3.90 per cent in 1964, closing the year at 3.82 per cent. In early 1965, the direction of the Treasury Bill rate was moderately downward, falling to a low of 3.61 per cent at the beginning of April. In the next two months a gradual upward move appeared to a rate of 3.96 per cent at mid-June. The long term average yield on government bonds declined from 5.23 per cent in August 1964 (average of Wednesdays) to 5 per cent in December, and still was at an identical 5 per cent in May 1965.

The search for signs of impending credit tightening in early 1965, could perhaps have been more rewarded by a look at two major chartered banking statistics. Here, the rate of expansion in general business loans started accelerating in August 1964, and rose very rapidly in the first two quarters of 1965. This was accompanied by a steady decline in the more liquid asset ratio of the banks, from a level of about 35 per cent (often thought to be the desirable ratio, as far as the banks are concerned) early in 1964, to 32.5 per cent at year-end. Following some year-end improvement, the liquid asset ratio declined further in the first half of 1965, reaching an uncomfortable 31.25 per cent at the eve of the Atlantic failure. The sharp expansion

in chartered bank loans was not accompanied by any appreciable change in outstanding loans to the instalment finance companies (which amounted to \$300 million at the end of August 1964 and \$285 million at the end of May 1965).

The final tone on this period was recently put as follows by the Governor of the Bank of Canada in his 1966 Annual Report:

"It could be foreseen, however, that as the slack in the economy was progressively taken up, the time might arrive when a less expansive monetary policy would become necessary so as to exert a moderating influence on the growth of demand. The central bank began to prepare for this eventuality in 1964 by managing the cash reserves of the chartered banks in such a way as to reduce bank liquidity. By the spring of 1965 the growth of the economy was rapidly bringing us back towards full utilization of the country's effective productive capacity and the Bank's policy was to allow credit conditions to begin to tighten under the impact of heavy demands for credit. In the latter part of 1965 and the early part of 1966 demand pressures on the economy became particularly intense and credit conditions progressively tightened". (Pages 4-5)



C. SALES FINANCE INDUSTRY TRENDS

The Canadian sales finance industry, in spite of severe competition in both the consumer and industrial financing markets, shared in the sharp upswing that had been underway for the four years into the early part of 1965. In assessing the competitive environment, there is no evidence that the growth in sales financing was restrained by the availability of funds among the various sources which the industry uses, but rather that the lid on its growth was coming from the competition in the "selling side".

Short term note financing (defined as notes with maturities of one year or less at the time of issue) was the most important single source of funds in this period, with outstandings rising from \$491 million at the end of 1961, by \$144 million in 1962, \$166 million in 1963, and \$259 million in 1964, to a total of \$1,060 million at the end of that year. Since the specific default on an Atlantic Acceptance short term note triggered the failure of the company, additional comments on this sharp rise and trends in short term note financing are indicated. First, in spite of a very sharp rise in the total outstandings, a seasonal pattern, related specifically to the volume of wholesale credit demand from automotive dealers, generally results in an annual rundown of total outstanding notes in the third quarter of the year when there is usually a liquidation of the year-end automotive models and a sell-off of

dealers' inventories. For example, in spite of the general expansion of credit in 1963 and 1964, the total short term notes outstanding of sales finance and consumer credit companies in the third quarter fell by \$13 million and \$74 million respectively. This point is important because this seasonal influence was to coincide with the post-Atlantic Acceptance failure period.

A second important factor in the short term note situation, was the gradual development of a foreign currency (predominantly U.S. funds) market for Canadian sales finance companies which was built up from modest levels in 1961 (\$25 million to \$40 million) to total outstandings of \$202 million at the end of 1964. This figure is known to underestimate the total amount of foreign investment in Canadian short term finance company paper, since other non-resident funds are invested in Canadian dollars even though ownership is non-resident.

The imposition (in late 1964) of U.S. guidelines on investments made abroad by its residents (designed to stem its balance of payments problems and gold outflow difficulties) must be considered in this context. One estimate previously prepared for the Federated Council of Sales Finance Companies showed the total of U.S.

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\* 1962 appears as an exception with a \$30 million rise. In both 1961 and 1960 there were declines of \$72 million and \$27 million respectively.

short term investment in Canadian finance company short term notes prior to the Atlantic Acceptance failure, was twice as high as the amount actually outstanding in foreign currency, and in the circumstances it can be concluded that the Canadian finance industry was at the time facing a built-in problem in the non-resident owned notes, for which the supply of funds (which under the best of circumstances is highly volatile and not too "loyal") would come under pressure once full implementation of the U.S. guidelines got under way.

In line with the finance industry's policy of relying on all types of funds, long term note financing had also increased sharply (though the absolute amounts were not as large as short term issues), with net new issues of \$61 million in 1962, \$102 million in 1963, and \$138 million in 1964. Corporate stock financing for the three years amounted to \$22 million, \$14 million and \$23 million respectively. Chartered bank loans were not drawn on further in this period, continuing a longer term trend on the part of the industry to attempt to reduce its dependence on an increasingly active group of competitors. Loans from the banks remained virtually unchanged at \$284 million at the end of 1962, \$302 million at the end of 1963, and \$299 million at the end of 1964.

The economic expansion described in the early part of 1965, was reflected in the operations of the sales finance and consumer loan industry, with net financing from long term notes rising by \$40 million in the first half of 1965, and short term notes outstanding rising by \$89 million to \$1,149 million at the end of March 1965.\* Significantly, the entire early 1965 increase in short term funds was provided in Canadian funds, which rose by \$107 million, while there was actually a decline of \$18 million in the first quarter 1965 outstandings in foreign currency.

The new monthly Bank of Canada series from that point shows that Canadian dollar note issues \*\* continued to rise in April, but declined slightly in May, while foreign currency notes continued to rise in both months.

The impression left by the month-to-month pattern in this key series (which provides the main base for examining the post-Atlantic situation), ties in with the earlier observations on the economic situation, which suggested that conditions in the money market were generally permissive and favourable for supplying the sales

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\* There is a break in the Bank of Canada reports on notes outstanding at the date, making it necessary to divide our observations at that point.

\*\* Which from that point on now excludes all short term paper of Atlantic Acceptance, as well as part of one company's paper which was re-organized in May after it merged with a United States company.



finance industry with the additional volume of funds required to meet the dictates of customer demand. In the circumstances, the failure of Atlantic Acceptance Corporation to obtain renewal for one specific note cannot be ascribed to conditions in the short term money market, or to any other part of the general external environment in which the company was then operating. While more restrictive credit conditions were to be an aggravating factor in the money market following the failure of Atlantic Acceptance, this condition does not hold for the period prior to, or at the time of the failure of the company.

#### D. POST-ATLANTIC DEVELOPMENTS

In a report on the situation in North American short term money markets following the default of Atlantic Acceptance Corporation, prepared for the Federated Council by W. A. Beckett Associates Limited,\* it was concluded that there was an immediate and sharp drying up in funds available to the Canadian sales finance industry and that the degree of difficulty that individual companies experienced was inversely related to their size. The drying up was partly relieved by:

1. A rise in chartered bank loans, which increased from \$280 million in mid-June to \$414 million in early August, and further to \$497 million at the end of the year, and

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\* A copy of this report was provided to this Commission.

2. For those companies who had kept short term investment reserves, by a liquidation of such investments.

The report also concluded that (as of late summer 1965), the prospects for substantially tighter credit and higher interest rates had been considerably enhanced, and loomed as possible further difficulties in the efforts of sales finance companies to attract funds. This view on impending monetary policy more than materialized and throughout 1966 Canadian and U.S. money markets went through one of their tightest phases, and the highest level of short and long term interest rates on this Continent in the last 40-odd years. The weekly tender rate of three month Canadian Treasury Bills which stood at 3.82 per cent at the end of 1964, fluctuated in a very narrow range from then until the end of April when it reached 3.87 per cent. At mid-June it reached 3.96 per cent, and following the Atlantic failure, it moved only slightly higher reaching 4.16 per cent at the beginning of December. In the next several months, the yield on Treasury Bills moved sharply higher, reaching 4.54 per cent at year end, and rising to a peak yield of 5.20 per cent in the week of November 16, 1966. This rise was more than paralleled in the yield on U.S. three month Treasury Bills, which increased only nominally from 3.87 per cent at the end of 1964, to 3.89 per cent in May 26, 1965. From here on, the rate went to 4.46 per cent at year-end 1965, and after that, in response to the requirements of an even stronger danger of

"overboiling" in the U.S. economy, to a peak of 5.46 per cent in mid-November 1966.

This rise in short term interest rates was reflected in the rates offered by the sales finance companies in the short term money market, from a range of 4-5/8 per cent to 4-3/4 per cent offered by the largest companies in August 1965 on 30-59 day paper, to 5-1/8 per cent at the end of October 1965, and a rate as high as 6-3/8 per cent to 6-1/2 per cent near the end of 1966. However, while in earlier cycles of tightening credit and rising interest rates (such as 1956 and 1959) this would have been enough to draw a relatively elastic response from the money market, the flow of funds in late 1965 and early 1966 demonstrates a lingering, though diminishing effect from the Atlantic Acceptance failure. Short notes outstanding in Canadian currency fell from \$915 million at the end of June 1965 to a low of \$696 million by year-end; as we have mentioned above, a substantial part of this decline is attributable to normal seasonal patterns (the corresponding decline in the same months of 1964 was \$181 million, compared to a decline of \$219 million in 1965). There is evidence that the worst of this reaction was over by the end of 1965, as the amount of notes outstanding in early 1966 resumed a seasonally upward pattern of considerable proportions until July, when the amount reached \$975 million. From hereon a gradual liquidation to a year-end figure of \$850 million appears, which in retrospect

again is explained not only by seasonal patterns, but also by the decline in automobile sales in Canada during this period. Turning to early 1967, there again appears a relatively sharp expansion, carrying the amount outstanding at the end of March 1967 to \$1,012 million.

The conclusion based on the finance companies' performance in the short term money market following the collapse of Atlantic Acceptance are as follows:

1. There was indeed a sharp and immediate reaction to the failure of Atlantic Acceptance Corporation, which shook all parts of the short term money market, and certainly did have a direct influence on the amount of renewals of outstanding notes in that period, depending on the sharpness of their impact on the size of the individual company, and in the case of non-resident controlled companies, on the guarantees of parent companies on the outstanding note issues.
2. The Canadian money market put a virtual end to the participation by some smaller companies that had used short term note financing in the last several years.



3. Following the initial shake-up in the market, the largest and best-established members of the industry appear to have weathered the storm, and experienced a gradual renewal and better supply of short term money, attracted by rising yields. The conclusion up to this point, is that the medium term assessment by the money market has been a note of confidence to most of the members of this industry, rather than a general withdrawal from finance company short term paper.
4. This does not exclude the conclusion, that from the fall of 1965 to about early or mid-1966, the members of this Council experienced difficulties in attracting an adequate flow of short term money. While the market was sorting out its reaction to individual companies, many of the companies put an increasing degree of reliance on long term note financing, bank credit and to some extent corporate stock financing. In the circumstances, the ability of the sales finance industry to raise alternative types of funds (to short term notes) does not appear to have been materially affected by the developments in capital markets following the failure of Atlantic Acceptance. It would be interesting to speculate whether interest rates, for finance companies, in the absence of the Atlantic debacle, would have been lower than those that were incurred in the circumstances. However, the sharp across-the-board rise in rates obscures any answer to this question.

5. The pattern in foreign currency short term notes differs from that sketched for the Canadian currency notes. Excluding Atlantic Acceptance's foreign currency notes, the amount outstanding amounted to \$162 million at the end of May and this increased to \$189 million at the end of August.

From then until early 1966 there was surprisingly little change in this total, with the amount outstanding at the end of February 1966 amounting to \$169 million.\* Thus, while it appears that non-resident investment in the short term note financing by Canadian finance companies was immediately shaken by the Atlantic Acceptance Corporation failure, one explanation offered for this pattern was that as of mid-1965, the outstanding notes were believed to have had relatively long (9-12 months) maturities. Beginning in March 1966, a process of gradual liquidation started bringing the amount outstanding to \$74 million at year-end, and since that time the decline appears to have been arrested in a range of between \$65 million and \$85 million.

Thus, after some delay, the foreign currency note issues did show an irregular pattern of decline similar to the Canadian currency issues. The reaction appears to have been delayed by the spacing of the maturities of the notes outstanding at the time of the

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\* All these figures are on a revised basis, excluding foreign bank loans.

failure.\* Also, the gradual step-up and the increasing effectiveness of the U. S. guidelines policy comes into play during 1966, and while the two causes cannot be separated, this second factor must be considered significant, since the type of funds involved here are inherently highly volatile, and would have made compliance with the balance of payments guidelines of the United States relatively painless (by comparison to other types of capital).

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\* In the survey conducted for the Federated Council during the summer of 1965, this factor was specifically mentioned in interviews here and in New York.

PART IV

A. THE SITUATION OF THE INDUSTRY IN THE AFTERMATH OF ATLANTIC

The foregoing describes, for the period before and after the collapse of Atlantic, the general economic environment, the policy followed by the Bank of Canada, and the activities of sales finance companies in the short term money markets. It does not describe what the large Canadian sales finance companies felt compelled to do in order to achieve this record in the money markets. It should be remembered that, of the four classes of companies in Canada (subsidiaries of U.S. financial institutions, subsidiaries of U.S. manufacturing enterprises, smaller Canadian independent sales finance companies, and large Canadian independent companies) only the latter two classes were seriously and adversely affected by events. The U.S. subsidiaries, whether of financial institutions or of manufacturing concerns, who have parental guarantees for their issues and therefore, though having to pay prevailing rates, realized no shortage of funds. Of the remaining two classes, only the large Canadian independent finance company could hope to achieve a degree of success in the money markets for, while both classes were forced to rely on the bank credit to a greater degree than previously, for the small Canadian independent company this was almost their only alternative.



Initial Reactions of the Industry

In the summer of 1965, Council commissioned an independent study of the short term money markets (a copy of which has been supplied to the Royal Commission) upon which study Council was able to recommend to its members:

"1. That the member-companies provide detailed and standardized statistical and financial information to investors and dealers similar to that available regarding sales finance companies in the United States. This may be accomplished by adapting for Canadian use \* such forms as:

- (a) The Robert Morris Associates sales finance company questionnaire, and
- (b) The so-called 'long form audit' of operations.

"This will provide the facts required for the development of information and ratios contained in the various U.S. bank reports on instalment sales finance companies.

"It is the conclusion of the Board of Directors that the adoption of these standards of statistical information, their continued use, and their widespread dissemination, will enable investors in the debt and equity instruments of this industry to form an appropriate and complete picture of the nature and trend of the business of each particular member-company, and the soundness of its business practices. Individual members should endeavour to explain to investment dealers and purchasers of short term notes the value of such information, since part of the recent difficulties were due to the lack of understanding on the part of dealers and investors themselves.

"2. That the members of the Federated Council selling short term notes to investors, either directly or through investment dealers, should provide a high degree of liquidity in connection with short term note issues as a

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\* The underlining did not appear in the original.

safeguard against those relatively rare times when the smooth flow of short term funds is temporarily interrupted. To this end the members of the Federated Council selling short term notes should at all times have substantial alternatives to their short term note issues consisting of cash, highly liquid investments and unused and available bank credit lines."

These recommendations were given widespread publicity by the press in Canada during October, 1965.

#### B. INFORMATION FOR INVESTORS

In order to evaluate the actions of the large Canadian independent companies in providing information for investors, it is well to examine the usual practices in the U.S. and Canadian money markets both prior to and after the failure of Atlantic Acceptance Corporation Limited.

In the United States it was common practice before the failure of Atlantic, for sales finance companies to submit the following types of information to potential investors -

1. Audited financial statements of the company;
2. Completed Robert Morris Associates questionnaires;
3. The so-called "long form audit" of operations;
4. A current prospectus; and

5. Any supplementary information as might be useful to investors.

This standard also pertained to Canadian sales finance companies in the U.S. short term money market. It is therefore likely that Atlantic Acceptance Corporation did conform with this standard when it was raising money in the U.S. market. We suggest that this point may have already been checked by the Royal Commission.

In Canada, prior to the failure of Atlantic Acceptance, the same standard did not pertain. It was not unusual for Canadian companies to obtain all the funds required by submitting the audited statements of the company along with a prospectus. Historically, investment in sales finance companies has been principally made by life insurance companies and by chartered banks, and these investors were in a position to obtain all other information they required from the companies on request. In addition, the requirement by the Ontario Securities Commission that an audit be performed within 120 days of issuing a prospectus required that companies going to the market frequently would be audited as many as four times each year. Those sales finance companies wishing to stay in the market continuously, therefore, probably stand as the most frequently audited companies of any industry in any country. We question the advantage of frequent audits to the investor, as required by law, if the audits of subsidiary companies are not reviewed in detail during the audit of the parent.

Investors themselves developed further information on the sales finance industry. Keep in mind that banks in the United States are of a "state" variety, in contrast to which banks are "national" in Canada with branches located in the provinces reporting to their respective head offices. In spite of this lack of centralization, some U.S. banks developed the accommodation of sales finance companies as a specialty. Examples are the First National Bank of Chicago and the Chase Manhattan Bank of New York City. By reason of receiving Robert Morris questionnaires and the so-called "long form audit" of operations from sales finance companies seeking funds, these banks compile composite data. As a result, they publish composite industry ratios. In the United States these ratios are used as points of comparison for individual company data.

Because such information was not being regularly submitted by Canadian sales finance companies, no such indexes are available on Canadian operations. We know of no attempt by Canadian banks to compensate for the lack of Canadian ratios as might have been accomplished by pooling their records on sales finance companies. As a result, investors were and are forced to compare Canadian corporate data with U.S. indexes - a comparison which may not be entirely appropriate due to market and corporate differences.



Since June of 1965 two notable changes have taken place:

In the United States the failure of Atlantic Acceptance Corporation and, at a later date, the failure of Pioneer Finance Corporation of Detroit gave weight to the question of whether or not reporting procedures were sufficient. After all, Atlantic was a U.S. controlled company, chartered in Canada with headquarters in Canada, at the time of failure. The three questionnaires of the Robert Morris Associates were brought under review by that organization. The questionnaire on small loans operations has already been revised and was made available to the market in the latter part of 1966. The two questionnaires dealing with sales finance operations and commercial loans operations are still under review and are not anticipated until some time later this year or early in 1968. The considerations of the reviewing committee thus far indicate that there is likely to be considerable expansion of these two Robert Morris Associates questionnaires.

#### Individual Action by Companies

In Canada, the large Canadian independent companies attempted to fill the "information gap" by producing extensive reports on their operations. Examples of these reports are submitted to the Commission herewith.

The first of these reports was issued in March 1966 and was followed during the year by the reports of all other companies attempting to raise funds in the money markets. It is important to note that in each case these supplements represent a change in reporting procedures on the part of the companies, not a change in their manner of doing business.

These steps, voluntarily taken, and the wealth of data produced by these companies for investors, stands as evidence that the corporations in the industry are not reluctant to provide all the meaningful corporate and financial information investors need to make the decision to invest. To see it as their failure to do so prior to 1965 is a fallacy: Companies were producing all the corporate information required by investors; and those companies in the short term money market, perhaps even Atlantic Acceptance Corporation, were complying with standards of reporting thought sufficient at that time by the most enlightened of the large investors in both the U.S. and Canada.

#### Industry Action

While these reports were being produced, the Investment Dealers' Association of Canada undertook their own study to evaluate reporting procedures. A Committee of Council has supported and assisted this study, particularly on questions of

practicability. The culmination of this joint effort was reached on March 23, 1967, with the unanimous endorsement of the Money Markets Committee of the report known as the "Canadian Sales Finance Long Form Report". The Canadian Sales Finance Long Form Report is to be used in conjunction with the appropriate Robert Morris Associates questionnaires and the audited financial statements of the borrowing company. Collectively they give more information on the vital areas of sales finance operations than the United States standard and, in addition, give this information in a more uniform manner.

### C. A QUALITATIVE INTERJECTION

Before discussing some of the detail in the Canadian Sales Finance Long Form Report, a word of caution is warranted. The attention (in the United States, to revisions in the Robert Morris questionnaires, and, in Canada, by the Investment Dealers' Association and the Federated Council of Sales Finance Companies in the development of the Canadian Sales Finance Long Form Report) could overstate the value of corporate data to investors. Statistics, though reported in detail by a responsible management, are not sufficient in themselves and should be used by the trained analyst as a means of enquiring into the broader and more basic area - that of an evaluation of the management of the corporation. Three levels of

analysis of corporate statistics are open to the analyst, all of which lead to an evaluation of corporate management:

1. Internal Evaluation. The analyst may use the corporate statistics to discover what the company has been doing, what it is doing currently, and the course the company is likely to take in the future. This is one tile in the mosaic of evaluating management.

The analyst may compare and contrast his findings on one company with those on other companies to determine the shades of meanings in the stated management philosophies. This is the second tile in the mosaic of evaluating management.

2. External Statistics. By summing the reported data of several companies, composite indexes representing the industry can be developed. By comparing the individual company against the performance of the industry, a third tile in the mosaic of evaluating management is created.

The analyst may use corporate statistics, the industry composite, and the trends revealed therein to relate these to measurements of the general economic environment. This is a fourth tile in the mosaic of evaluating management.



3. Qualitative Analysis. Not all the strengths of a corporation can be quantified, and the numbers that are available show the results of the implementation of decisions in a changing economic environment and in a dynamic competitive situation. It follows that the policies upon which these decisions were based and the experience of management which developed the policies are as crucial in the decision to invest as the data themselves.

To emphasize the qualitative aspects of evaluation, the Federated Council wishes to draw the Commission's attention to an article "Famous Lending Wrecks" by Arthur L. Nash published in the Robert Morris Associates Bulletin dated January 1967. A complete copy of which article is supplied herewith. (Appendix 2.)

In reviewing ten prominent financial collapses in the United States, Mr. Nash has concluded that there are six factors behind them:

1. A single dominant individual, ambitious, egotistical, glib, knowledgeable, and impressive. Sometimes, if not always, clever.
2. Frequently, a complex corporate financial picture.
3. Speculation - overtrading.
4. Changing emphasis in corporate objectives and nature of the business.
5. Changing economic conditions which set off the fuse.

6. Frailty on the part of the lenders, such as liberal credit, too little attention to changing trends in corporate financial affairs, too much reliance on collateral, and, maybe, occasional lax lending practices.

To this list may we add "rate of growth". The sales finance industry is labour intensive. It follows that the growth of a company cannot exceed certain limits without an implication of dilution of management.

To emphasize this point and to set it into context of this general heading, Federated Council wishes to submit the first section of an unpublished paper by Dudley Stewart, C.A.\* entitled "Evaluating Canadian Finance Company Reports". In it he describes the need for an evaluation of management in nine points under the heading "Basic Principles of Valuation" and sets out a method of evaluating management in nine points under the sub-heading "Appraisal of Management in Depth".

#### D. CANADIAN SALES FINANCE LONG FORM REPORT \*\*

From the reference by Mr. Nash to the factor of a complex corporate financial picture in financial failures and the reference in Mr. Stewart's paper to borrowing down-stream, as well as with reference to the evidence that has already been

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\*\* Appendix 4.

submitted with respect to Atlantic Acceptance and its corporate complexities, the Federated Council of Sales Finance Companies wishes to draw your attention to Schedules 1 and 2 in the Canadian Sales Finance Long Form Report. Unlike other forms of reporting, Schedule 1 on subsidiary companies and Schedule 2 on affiliated companies would require the borrowing company to advise the potential investor of the name of such subsidiary and affiliated companies and the nature and amount of the borrowing company's investment therein - whether this investment is in equity or in debt. We submit there is only one way to uncomplicate a complex corporate structure and that is to relate in simple form the nature of the relationship between the companies involved.

With respect to Mr. Nash's first conclusion regarding a single dominant individual and the evidence received to date on Atlantic Acceptance Corporation, the Federated Council of Sales Finance Companies wishes to draw your attention to Schedule 3 of the Canadian Sales Finance Long Form Report. In this schedule the maximum credit-granting authority by class of business and by level of management is disclosed. Whereas only three levels of management are shown in the form, it is understood that the authority of other sub-levels of management, if they exist, would be described in a similar way. To our knowledge no other established form of report contains this vital break-down of responsibility.

Schedule 4 of the Canadian Sales Finance Long Form Report is common to other established methods of reporting. It shows the volume of contracts purchased during the year, excluding renewals, by class and kind of business.

Schedules 5 and 6 are not common to established methods of reporting. Schedule 5 shows the maturities of receivables held at the year-end by class of business and by year of maturity. The amount of retail financing which is supported by a dealer endorsement or repurchase agreement is broken out as a percentage of the total retail financing (see Note 1). Since this schedule contains renewals, a comparison with Schedule 4 will show the renewal balances by class of business (also see Note 2).

The maturities of year-end debt are shown on Schedule 6 broken down between short term and long term debt. By comparing Schedule 6 (maturities of year-end debt) with Schedule 5 (maturities of year-end receivables) one might note any unmatched groupings of debt which could pose problems in future periods.



The maturities shown in Schedule 5 can only be realistic if an appropriate allowance for doubtful accounts has been provided and these are shown in Schedule 7 to cover the previous 5-year period .

Consistent with the submission of St. Elmo V. Smith, F.C.A. to this Commission on December 8, 1966, Schedule 8 gives an analysis of the change in the net investment in receivables and the sources of financing this change. This is held to be the more appropriate method of showing changes in "working capital" than is presently employed in other reporting forms.

Referring to the second recommendations of the Directors of Federated Council with respect to the coverage of short term notes, Schedule 9 shows the nature and extent of such coverage.

Appendix A of the Canadian Sales Finance Long Form Report requires the borrowing company to provide statements of policy, methods of treatment, and statistical significance for ten areas of corporate operations.

The Canadian Sales Finance Long Form Report, taking cognizance of the importance of the method employed by the company in taking up income, not only requires a policy statement regarding this but, in addition, requires the company to give

examples of its method and to compare these examples to the direct ratio method. This section of the Canadian Sales Finance Long Form Report deserves special attention. The approach to the problem of indicating the method of taking up income is consistent with the view of the industry that no one method is equally relevant for all classes of business at all times. By showing its particular method for each class of business, the borrowing company is not required to conform to any one method that may be appropriate for some receivables and not for others. But the report does require the borrowing company to state its methods and the investor can evaluate them by comparison with those selected by other companies for each class of business.

Appendix C lists the other kinds of information that investors may request from the borrowing company, while Appendix D gives definitions for such terms as may have several meanings. Where the definition is lacking, the components of the definition of the term, as used by the borrowing company, are set out. As with the methods of taking up income, the analyst needs to evaluate the effects on earnings and receivables' valuations of the corporate differences in definition.

E. AN OVERVIEW OF THE REPORT

The Canadian Sales Finance Long Form Report is an advance made possible by an extensive joint effort of the Investment Dealers' Association of Canada and the Federated Council of Sales Finance Companies. The Royal Commission will want to evaluate the amount of improvement in reporting techniques this report represents for investors against procedures as they were and against procedures as they might be.

To assist in this task, Council submits that the enquiry may be made by asking three questions:

1. Does this report give the necessary detail?

To gain from the Atlantic experience:

The report needs to give details on investments of all types in subsidiary and affiliated companies.

The report needs to show how the authority for granting credit is distributed among corporate personnel and control groups.

The report needs to provide for a comparison of the maturities of the receivables in the company's portfolio with the maturities of the company's obligations.

The report needs to detail the methods employed by the company for taking up income.

In addition to the other kinds of information that investors have come to expect of sales finance companies, all of these areas are expressly covered in the Canadian Sales Finance Long Form Report used in conjunction with the Robert Morris Associates questionnaires and the audited financial statements of the company. Further, in contrast to other reporting techniques, this report form is the only one that gives such information in the necessary detail.

2. Does it give a uniform approach?

Uniformity is desirable because it permits comparison between companies who report and permit the production of a composite of reporting companies that would represent the total industry from which indexes and ratios may be drawn.

The so-called "long form audit" is, first, not an audit, and second, not intended to be uniform from company to company. On the other hand, the Robert Morris Associates questionnaires do require uniformity in reporting.



Therefore, along with the audited financial statements, the Canadian Sales Finance Long Form Report and the Robert Morris Associates questionnaires provide comparability to a degree not hitherto possible in North America.

The extent to which comparability is assured has been increased by providing definitions of terms used. Where definitions have not been given, the terms represent honest differences of opinion in the industry as to the best way of treating the items. For instance, the direct ratio method of taking up income is probably not used in an unmodified form by any company in the industry. If it were, "acquisition costs" would not exist. Where the acquisition of contracts does incur costs (and in some classes of business, such as commercial and industrial financing, the costs are not only evident, but high), eliminating the practice of taking these into income would distort the valuation of assets and profits by inflating the asset deferred income during periods of expansion in the economy while deflating profits, and deflating deferred income and inflating profits during contractions. The accounting principle of matching costs with revenues would be violated.

The question remains, "How much acquisition cost is allowable?" This is another way of asking, "By how much should the direct ratio method be modified?" for the principle is involved. There is general agreement in the

industry that the direct ratio method should be modified according to the class of receivable acquired. There is as yet no agreement as to the degree.

The reason for the lack of agreement is quite clear. What is involved is the tendency towards conservatism. The difficulty arises because that policy which is most conservative during an expansion in the economy (and hence in volume of business acquired), if maintained during contraction periods has the opposite effect. One is faced with two alternatives:

1. Change the policy as the economy changes - which would destroy year to year comparisons, or
2. Strike a happy medium which is most appropriate for both expansions and contractions in business - not an easy point to discover and get agreement from all the experts, particularly in today's situation when conservatism is favoured. However, because the problem is clear, resolution cannot be so far away.

To extract maximum uniformity in a non-uniform situation, the Canadian Sales Finance Long Form Report requires an explanation and examples of the modifications employed. In addition it requires a comparison of the method used with a standard - the unmodified direct ratio method.

So with the other non-uniform term "delinquent account". In this case, the components of the company's definition are required.

Council submits, therefore, that the Canadian Sales Finance Long Form Report requires uniformity in excess of its counterpart, the "long form audit" and as much uniformity as can be expected of reality.

### 3. Will the report be accepted by the investment community?

The acceptance of the investment community is essential if these advantages are to accrue to the investor. Further, having acceptance once does not insure continued equal value.

Council is co-operating with the Investment Dealers' Association of Canada in the preparation of a program to familiarize the investor with the report. Further, a standing joint committee to review the report has been set up by the I.D.A. and Council. This provides the means whereby the report will change in substance as the companies' business change.

Last, the continuous play of market forces through time should not be overlooked.

The acceptable range of acquisition costs, for instance, for each class of receivable the industry acquires, is more likely to narrow than expand through time once the

range is exposed to investor evaluation. Thus comparability should improve, rather than deteriorate, with time.



PART V

A. THE POSITION OF THE SMALLER COMPANIES

So far we have been speaking on topics of primary interest to sales finance companies that are not subsidiaries of U.S. companies and yet are large enough to be in the money markets in Canada and the United States. It should be appreciated that half of the members of Council have less than \$2.5 million in retail outstandings. During the past two critical years, these companies have been forced to rely almost exclusively on bank credit. Given the tight money situation, there has been little tendency on the part of the banks to expand their loans to these companies. The smaller company has been fortunate if it has been able to maintain its bank line through the period.

It is reasonable to ask where the small company stands in relation to these activities and recommendations of the Federated Council? In reply, it is easy to understand that the small company's image is painted the same hue as is the large company's. Similarly, as reporting techniques have improved, these same pressures have been effective on the small company and it can be assumed that, when their bank lines have been reviewed, their operations have been subjected to rather more scrutiny than heretofore.

B. REVISIONS OF ROBERT MORRIS QUESTIONNAIRES

Elsewhere in this submission it has been stated that the Robert Morris Associates questionnaires dealing with sales finance and commercial loans operations are in the process of revision. We thought it would be helpful to the Royal Commission to know the direction these revisions are taking.

Accordingly, we submit for your information an article by George R. Baker, Vice-President of Continental Illinois National Bank and Trust Company, and a member of the Committee on Co-operation with Finance and Loan Companies of the Robert Morris Associates. The article is the text of an address given by Mr. Baker before the National Credit Conference sponsored by the American Bankers' Association. The address was made on January 31, 1967 and appears in the March 1967 issue of the Industrial Banker<sup>\*</sup>, a publication of the American Industrial Bankers' Association Inc. Washington, D.C.

C. THE TIMING OF AUDITS FOR PURPOSES OF THE PROSPECTUS

The Ontario Securities Commission presently enforces a law which requires that the financial statements accompanying a prospectus for the offering of securities or debt be prepared as of a date not more than 120 days prior to such offering. We

submit that the 120 day time limit is an unfortunate choice in that an opportunity has been missed to create a bi-annual time series of audited financial statements on companies continuously in the market.

To explain, for a company continuously in the market, the fiscal year-end would serve as the time for one set of audited financial statements to which an application for a prospectus might be attached. There is no assurance, however, that the other two audits required during the course of the year by the 120 day time limit would necessarily occur on the same date each year. As a result, seasonal differences may impair comparison between a financial statement prepared in one year to that of a financial statement prepared in a previous year.

Council submits that this 120 day time limit should be extended to 180 days. If this were done, the fiscal year-end statement and the interim six months statement would, through time, create two series taken at the same two points in time each year with the comparison through time much improved thereby thus raising the quality of the information provided.

D. IN CONCLUSION

It is clear from the foregoing that the efforts of the Federated Council of Sales Finance Companies has been concentrated on matters pertaining to the disclosure of financial and corporate information for investors. The actions of the individual companies in response to the requirements of investors has indicated this to be the prime area of importance.

These observations should be made:

1. It is our opinion that a reporting form cannot be devised, nor a law written, that will preclude fraud, and not being privy to Atlantic's operations, Council has no further comment to make.
2. It is costly to produce corporate data in such detail as is contemplated. The response of the companies to investor requirements clearly indicates that producing the data is seen as being less costly than denying the investor. To ignore investor demand for information is to submit to suicide by strangulation - raw material sources would dry up. Hence there is no justification for the view held by some that sales finance companies are reluctant to disclose. Rather, in addition to data, companies encourage investors to evaluate management - the core of the matter.



3. The ability of the investor to obtain the required information is no greater now than before the failure of Atlantic. The big change that has taken place is that the investor is now using this ability rather than neglecting it.
4. It is costly to the investor to use the information that is now and will be provided. Sales finance companies responded to the investors' call for more information by producing voluminous documents, which were referred to by one newspaper as the "corporate striptease". "Too much" information proved costly to use, and was thus self-defeating. The Canadian Sales Finance Long Form Report, with its perhaps too-severe emphasis on uniformity, should keep these costs to a minimum. Nevertheless, it may be assumed that the more copious the quantities of information provided, however neatly arranged, the more time and effort will be consumed in analysis.
5. The failure of Atlantic Acceptance Corporation Limited clearly states that it is also costly to the investor to be lax. We refer your attention to Mr. Stewart's paper, now before the Royal Commission where, on pages 14 to 16 he tells of nine points he raised after a three hour examination in April of 1964 of Atlantic's published financial statements, any one of which would raise serious questions in the mind of an attentive analyst - notwithstanding the quality of the audit procedures.

6. While it might be "normal", from the psychologist's point of view, to "kick the desk when you are angry with yourself" and thus place the responsibility for failure on "the other guy", it is obvious to the detached observer that it is one's own foot that is hurt. Similarly, investors are doing themselves a disservice to dismiss Canadian sales finance companies as a sound and worthwhile investment out-of-hand. We can rely on their private interests causing them to explore the opportunities these investments provide.
7. With regard to the public interest, the Federated Council wishes your attention to be drawn to the value of this industry to the economy of the country and the particular line of services to customers that differentiates the sales finance industry from other financial institutions. It would be unfortunate if restrictive government regulation were imposed upon an industry that has and is performing an economic function that responds to the beneficial social results.
8. We submit that the basic contributing factor in Atlantic's case was a permissive and overconfident investor community - the Illinois banker, Mr. Baker, termed it complacent - without which Atlantic's fund raising program would not have been successful. In a more skeptical market investors would not have become preoccupied with comparing yields at the expense of other comparisons. Since

the failure of Atlantic, the market has corrected - perhaps over-corrected.

9. What is needed, at this point in time, is recognition of the acid test these past 22 months have imposed on sales finance company management, and, with this recognition, a return to realistic levels of confidence in the integrity and skill of the management of a major financial institution.

In support of this view, Council submits this quotation from an article in the March 1967 issue of the Industrial Banker based upon a speech to the National Credit Conference of the American Bankers' Association by John Q. Adams, Vice President of John Hancock Mutual Life Insurance Company. Mr. Adams spoke from the viewpoint of an investing institution. Council subscribes to his words. He is reported as saying:

"If we are all shrewd enough to have learned something from our mistakes, then not only will our own institutions be better off, but so too will the strong well-balanced and well-managed finance companies in whom we have invested our time, our money, our confidence and our reputations."





APPENDIX 4

BORROWING COMPANY \_\_\_\_\_

CORPORATE FISCAL YEAR ENDED \_\_\_\_\_ 19 \_\_\_\_\_

CANADIAN SALES FINANCE  
LONG FORM REPORT

Developed by the Federated Council of Sales Finance Companies and the Investment Dealers' Association of Canada as the minimum information required to report on the operations of sales finance companies doing business in Canada.

23/3/67

TO THE READER

This report is to be used by a sales finance company in Canada, supplementing the appropriate Robert Morris Associates questionnaires and a full set of audited financial statements, to supply investors and investment dealers with relevant corporate data and statements of policy pertinent to the decision to invest.

The report calls for certain data which, unless otherwise indicated, covers consolidated operations of the borrowing company and its subsidiaries. Where such treatment, in the opinion of the Company, does not give the most meaningful data, supplementary schedules should be attached.

This report is to be accompanied by, at the least

- (a) Audited financial statements
- (b) Robert Morris Associates questionnaires

An evaluation of a company cannot be complete without an evaluation of the capabilities and performance of its management. Corporate policies are a reflection of management and are subject to interpretation and amendment in actual application. Corporate statistics are the net result of the application of management's operating decisions and are only one dimension in the evaluation of a company.

This report is intended to provide a starting point in the process of evaluating a sales finance company operating in Canada.

SUGGESTED FORM OF AUDITORS' STATEMENT

On Long Form Report and the Robert Morris Associates questionnaires

"The accompanying report was compiled by the Company. We have reviewed this report and have obtained no knowledge during the course of our examination of the company's financial statements to indicate that the data in the report are not properly stated."

On Borrowing Agreements

"In the course of our examination of the financial statements and of our review of the accompanying report nothing which has come to our attention leads us to believe that the Company is not operating in conformity with all its borrowing agreements as at \_\_\_\_\_ (date) \_\_\_\_\_."



SUBSIDIARY COMPANIES (1)

(In Thousands of Dollars)

Names of Subsidiaries	1 Total Capital and Retained Earnings (\$ 000's)	2 Effective Per Cent of Voting Shares Held by the Borrowing Company %	3 Total Equity Investment At Cost (\$ 000's)	4 Advances from the Borrowing Company		5 Per Cent of 3+4-5 to Borrowing Company Assets (2) %
				Secured	Unsecured	

Net current accounts with subsidiaries (3)

Note 1. If the borrowing company is itself the subsidiary of another company, name the parent company and give details of any loans to, or from, and net current account with, the parent company.

Note 2. Attach a full or condensed audited annual statement for each subsidiary for which the proportion in Column 6 exceeds 10 per cent.

Note 3. Attach explanations of current accounts if the total exceeds 10 per cent of the borrowing company's total assets.

Note 4. Attach consolidating financial statements segregating the borrowing company and financial subsidiaries from other subsidiaries e.g. insurance, manufacturing, etc.

**AFFILIATED COMPANIES (1)**  
(In Thousands of Dollars)

Names of Affiliates	1 Total Capital and Retained Earnings (\$ 000's)	2 Effective Per Cent of Voting Shares Held by the Borrowing Company %	3 Total Equity Investment At Cost (\$ 000's)	4		5 Advances from the Borrowing Company Secured Unsecured (\$ 000's) (\$ 000's)	6 Per Cent of 3+4+5 to Borrowing Company Assets (2) %
				Secured	Unsecured		

Net current accounts with affiliates (3)

- Note 1. If the borrowing company is itself the affiliate of another company, name the parent company and give details of any loans to, or from, and net current account with, the parent company.
- Note 2. Attach a full or condensed audited annual statement of each affiliate for which the proportion in Column 6 exceeds 10 per cent.
- Note 3. Attach explanations of current accounts if the total exceeds 10 per cent of the borrowing company's total assets.

MAXIMUM CREDIT GRANTING AUTHORITY

By Class of Business(I)

(In Thousands of Dollars )

1	2	3	4	5	6	7	8	9	10	11
Retail Financing		Leasing	Wholesale	Dealer (\$'000's)	Commercial	Residential Mortgages	Consumer	Other	Total	Per Cent of Total %
Industrial	Consumer									
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

Boards of Directors

Senior Management

Field Management

Note 1. Classes of business should relate to the classification of receivables shown in Schedules 4 and 5.

## VOLUME OF CONTRACTS PURCHASED, EXCLUDING RENEWALS

(In Thousands of Dollars)

[illegible]

Note 1. Describe volume if the total of column 9 is more than 10 per cent of the grand total.



(In Thousands of Dollars)

Year	1	2	3	4	5	6	Loans			8	9	10	11
	Retail Financing (1) Industrial (2) Consumer (2)	Leasing	Wholesale (3)	Dealer (\$ 000's)	Commercial	Residential Mortgages	Consumer (2)	Other (4)	Total	Per Cent of Total %			
1													
2													
3													
4													
5													
Sub-total													
Over 5 years													
Accounts not scheduled (5)													
Total													100.0%
Total without precomputed charge													
Total with precomputed charge													
UNEARNED INCOME													
Percentage of unearned income to "with precomputed charge" total		%	%	%	%	%	%	%	%	%	%	%	%

Note 1. \_\_\_\_\_ per cent of retail financing is with dealer endorsment or repurchase agreement.

Note 2. Renewal balances as a per cent of the related receivables are: Column 1 \_\_\_\_\_ %, Column 2 \_\_\_\_\_ %, Column 8 \_\_\_\_\_ %.

Note 3. Indicate the amount of wholesale in Column 4 which was sold out of trust (or converted).

Note 4. Describe receivables if the total of Column 9 is more than 10 per cent of the grand total.

Note 5. Include arrears, balances on repossessed or security sold accounts, and balances on matured accounts. Attach analysis of accounts not scheduled.

MATURITIES OF YEAR END DEBT  
(In Thousands of Dollars)

Amount Maturing In Year	Demand and Short Term (Including Bank Borrowings)	Long Term		Total	Per Cent of Total %
		Senior	Junior		
		(\$ 000's)			
1	\$	\$	\$	\$	
2					
3					
4					
5					
Sub-total	\$	\$	\$	\$	
6 - 10					
11 - 15					
16 - 20					
21 - 25					
Over 25					
	\$	\$	\$	\$	100.0%

ALLOWANCE FOR DOUBTFUL ACCOUNTS

	(In Thousands of Dollars)				
	19..	19..	19..	19..	19..
	..... (\$000's) .....				
(Current year)					
Opening balance	\$	\$	\$	\$	\$
Deduct - losses	\$	\$	\$	\$	\$
less recoveries	( )	( )	( )	( )	( )
Total	\$	\$	\$	\$	\$
Add - charge in P & L account					
- other (explain)					
Closing balance	\$	\$	\$	\$	\$
Total year end receivables	\$	\$	\$	\$	\$
Per cent closing balance to	%	%	%	%	%
year end receivables					

ANALYSIS OF THE CHANGE IN THE NET INVESTMENT IN RECEIVABLES

(In Thousands of Dollars)

	Closing	Opening
	(\$ 000's)	
Receivables	\$	\$
Deduct - Allowance for losses	\$	
- Unearned income		
- Dealers credit balances		
- Other (describe)		
Net investment in receivables	\$	\$
Increase (decrease) in net investment in receivables		\$

SOURCES OF FINANCING THE CHANGE IN THE NET INVESTMENT IN RECEIVABLES

(In Thousands of Dollars)

Change in: Capital investment	..... (\$ 000's)	\$
: Debt - Demand and short term		\$
- Long term, senior		
- Long term, junior		
- Other (describe)		
: Net earnings for the year		\$
Add non cash outlays (give details)		
: Other assets and liabilities (give details)		\$
Increase (decrease) in net funds in use		\$



Schedule 9

COVERAGE OF DEMAND AND SHORT TERM NOTES

(In Thousands of Dollars)

1.	Cash in bank	\$
2.	Bank lines	\$
3.	Less bank borrowings	
4.	Marketable investments of borrowing company (at market value)	
5.	Total available for cover	
6.	Outstanding demand and short term notes (excluding bank borrowings)	
7.	Coverage (Ratio of line 5 to line 6)	%

## APPENDIX N (Continued)

STATEMENTS OF POLICY

Attach a statement which describes the policies, methods of treatment, and statistical significance of each of the following. While the audited statements of the company will include a number of the following items, the purpose of this statement is to provide more detailed data than would usually be shown therein.

1. Renewals
2. Extensions
3. Delinquencies (include statistical summary)
4. Doubtful receivables
5. Write-offs (1)
6. Detail of confirmation by auditors
7. Amortization of intangible assets (2)
8. Income taxes (3)
9. Non-recurring items
10. Income ( 4)

Note 1. This definition should include an explanation of any automatic write-off policy on delinquencies and the accounting treatment on write-offs.

Note 2. The definition of policies and methods regarding the treatment of intangible assets - e.g. start-up expenses of new branches, debt discount and expense, and goodwill - should include an explanation of the basis of valuation, method of amortization, and total amortized to date.

Note 3. If the income tax rate (obtained by calculating the percentage of taxes paid to before tax earnings) is significantly less than the maximum applicable tax rate for Canadian corporations, the reason for the difference should be given.

Note 4. Full descriptions, including examples, are to be provided for all methods of taking up income used by the Company or any of its subsidiaries. If any initial charges are taken (e.g. acquisition charge) the percentage that each of these charges bears to the total finance charge should be included in the description.

For purposes of comparison, a description of the DIRECT RATIO METHOD of taking up income is shown in Appendix B.

## APPENDIX N (Continued)

## DIRECT RATIO METHOD

The direct ratio method (also known as the "rule of 78ths" and the "sum-of-the-digits" methods) is a method by which the unearned or deferred finance charge can be taken into earned income. It is a method by which the income earned during the period may be matched with the expenses incurred during the same period.

In practice, modifications of the direct ratio method are commonly employed. Some modifications are applied to some classes of business, while other modifications apply to other classes of business, within the same company. Still more modifications, other than those now in use, might be expected in years to come.

The number of modifications and their development suggests that the experience of the sales finance industry dictates that no one method is "Right" for all classes of business at all times.

Therefore, the direct ratio method is suggested here as a common point of comparison only and its use as such is not intended to imply a recommendation of the method for any purpose other than as a point of comparison.

The example is based upon a total finance charge of \$100.00.

Assuming that expenses incurred for acquiring the contract, etc., are not charged, the total unearned income to be taken up periodically is \$100.00 also. Therefore, on the basis of a 12-month contract acquired on the first day of the month, the amounts of income taken up each month in the example closely approximate the related percentage figures when the direct ratio method is applied without any modifications.

## EXAMPLE OF THE DIRECT RATIO METHOD

As applied to a 12 month contract acquired on the first day of the month:

Total initial finance charge	\$ 100.00
Less	
acquisition charge	0.00
dealer reserve	0.00
other expense items	0.00
Net initial finance charge	<u>\$ 100.00</u>
Amount of finance charge taken up -	
in the 1st month (month of acquisition)	\$ 15.39
in the 2nd month	14.10
in the 3rd month	12.82
in the 4th month	11.54
in the 5th month	10.26
in the 6th month	8.97
in the 7th month	7.69
in the 8th month	6.41
in the 9th month	5.13
in the 10th month	3.85
in the 11th month	2.56
in the 12th month	<u>1.28</u>
Total	<u>\$ 100.00</u>

OPTIONAL INFORMATION

It is recommended that the following additional information be attached, if not included in the annual report, prospectus, or any other form which accompanies this report.

1. Operational review of the current year, including subsidiary operations.
2. Historical operational review including comparative statistics.
3. Branch location and expansion plans.
4. Management organization chart.
5. Business experience of senior management.
6. Details of other significant assets and liabilities.



DEFINITION OF TERMS USED

Re Schedules 1 and 2

1. A "parent company" is a company which has a subsidiary or an affiliated company.
2. A "subsidiary company" is a company which is controlled by a holding in excess of 50 per cent of the voting shares.
3. An "affiliated company" is a company which is subject to a degree of managerial control based upon an equity investment.
4. A "current account" is an inter-company account for day-to-day transactions excluding advances or loans to or from the subsidiary.
5. The "net current account" balance is the difference between the amounts owed to and owed by all the subsidiaries with respect to the borrowing company.

Re Schedule 3

6. "Credit granting authority" is the dollar value up to which credit may be extended without reference to a superior. (Usually the discretion of an individual varies with his experience, as well as with the denomination and class of the business. This necessitates a "range" be shown in some cases.)

Re Schedule 6

7. "Demand and short-term" debt includes all debt on demand or originally incurred for a term of one year or less.
8. "Long-term" debt includes all debt originally incurred for a term in excess of one year.

Re Appendix A

9. A "renewal" is a new contract entered into before the expiry of the old for the purpose of reducing the amount of the monthly payment originally agreed to by the customer. (It is usual for a renewal contract to be completed only after additional credit investigation of the customer has been made and the approval of the dealer has been obtained.)

10. An "extension" is granted when circumstances warrant the postponement of all or a part of a current installment, when the dealer has approved, and when an extension fee has been paid.

11. A "delinquent" account is an account on which an installment, in whole or in part, is past due for a specified period of time. (The company's definition of "delinquent account" should indicate, for each class of business -

- a) the period of time the account needs to be past due before being classified as a delinquent account, and
- b) whether any partial payment returns a delinquent account to a current status. If so, describe.)



## APPENDIX O

### **The Robert Morris Associates Financial Questionnaires**





NOTE: In submitting this questionnaire with financial statements, please ascertain that identical terminology is used and that all figures in each are in agreement. Figures in schedules should be stated to the nearest dollar. If the information requested is already included in audit report, it need not be duplicated herein.

Name and Address of Company\_\_\_\_\_

Submitted as of \_\_\_\_\_ covering the period from \_\_\_\_\_ to \_\_\_\_\_

(If the answers to any of the questions below are in the affirmative the data should be submitted on a separate sheet attached to this questionnaire.)

1. Does this report include operations of subsidiary or affiliated companies? — If so, please give details regarding (a) the name—subsidiaries wholly or partially owned, (b) the nature of the business, (c) capital outstanding, (d) ownership of reporting company, (e) amount and description of outside financing, (f) nature of inter-company transactions, (g) guaranties, if any.
2. Does the reporting company have any subsidiary or affiliated companies which are not included in this report? — If so, please furnish the data listed above.
3. Is any financing done for concerns in which officers, stockholders, directors of the company or their families have a direct or beneficial interest? — If so, please give details regarding (a) name of company, (b) line of business, (c) types of financing granted, (d) total amount outstanding at statement date, (e) maximum amount outstanding during the period.
4. Does the reporting company or its subsidiaries or affiliates have any contingent liabilities (not set forth above) for guaranties, endorsements, litigation in process or threatened, additional taxes or for any other reason?

VOLUME OF BUSINESS FOR THE PERIOD: (Use blank lines to detail classifications not specified below.)

[illegible]

NOTE: PLEASE ATTACH SCHEDULE OF LATEST CONFIRMED LINES OF CREDIT FROM BANKS AND NAMES OF BROKERS HANDLING SALE OF OPEN MARKET PAPER.

**BORROWINGS:**

	SECURED OR UNSECURED	MAXIMUM* AMOUNT	MINIMUM* AMOUNT	OWING AT STATEMENT DATE
•• Bank loans under lines of credit . . .		\$	\$	\$
•• Open market borrowings . . . . .		\$	\$	\$
•• Other current loans . . . . .		\$	\$	\$
Long term debt—Not subordinated.		\$	\$	\$
Long term debt—Subordinated . . .		\$	\$	\$
Paper sold with recourse . . . . .		\$	\$	\$
Paper sold without recourse . . . . .		\$	\$	\$

\* As determined by month-end balances.

•• Maximum unsecured borrowings (all sources) \$\_\_\_\_\_ Date\_\_\_\_\_

APPENDIX O (Continued)

SCHEDULE C  
RESERVE FOR LOSSES RECONCILIATION:

Balance beginning of period.....	\$
ADDITIONS:	
Appropriations from surplus .....	\$
Appropriations from gross finance charges .....	
Appropriations from income .....	
Recoveries .....	
Other credits (Detail) .....	
Total additions .....	\$
DEDUCTIONS:	
Losses charged .....	\$
Transferred to other reserves (Specify).....	
Other charges (Detail) .....	
Total deductions .....	\$
BALANCE END OF PERIOD.....	\$

SCHEDULE D  
LOSS EXPERIENCE FOR PERIOD: (Head up the first three columns with the major divisions of your business, including all others in the fourth column).

			ALL OTHERS
Outstandings beginning of period...	\$	\$	\$
Volume for period.....			
Total .....	\$	\$	\$
Less outstandings end of period.....			
Liquidation for period .....	\$	\$	\$
Losses charged off.....	\$	\$	\$
Less—Recoveries .....			
Net losses .....	\$	\$	\$

SCHEDULE E  
MONTHLY MATURITIES OF INSTALMENT RECEIVABLES: (Including chattel mortgage loans, rediscounted installment receivables, etc.)

MONTH			TOTAL
Past Due .....	\$	\$	\$
1st .....			
2nd .....			
3rd .....			
4th .....			
5th .....			
6th .....			
7th .....			
8th .....			
9th .....			
10th .....			
11th .....			
12th .....			
Over 12 months .....			
Totals.....	\$	\$	\$

NOTE: The above schedule is required only if the total of cash, government bonds, accounts receivable, factored accounts receivable and inventory loans is not at statement date at least equal to the total of unsubordinated indebtedness, including therein, in addition to notes payable, all accounts payable, accruals and long term unsubordinated debt. The first and second columns of the above schedule should be captioned to show the spread of maturities of the two largest classes of outstandings of installment receivables at statement date. All other installment receivables should be grouped in the third column and the fourth column should show the grand totals. The column totals for each classification should agree with the respective totals in the balance sheet and in the other data submitted.

## SECTION II — DETAILS REGARDING OUTSTANDINGS

The information called for under the classification of loans set forth below should be prepared in schedule form. The three largest loans in each classification should be listed by companies, omitting names, but describing the industry in which the borrower is engaged. Further, each company which is indebted under one or more classifications, the aggregate of which exceeds 3% of the invested capital (net worth and long term subordinated notes) of the finance company should be shown in each classification, numbered for identification and included in the concentration schedule (#7). The smaller loans (each less than 3% of the invested capital of the finance company) should be grouped by the major types of industries represented by your customers and the number of your customers should be shown for each group. The totals for each schedule should be in agreement with the amounts shown in the balance sheet and in other data submitted. If any financing is engaged in which is not covered by the schedules below, separate schedules should be submitted, if the amount involved is of consequence.

**PLEASE NOTE:** Information marked with a (\*) is wanted only on the three largest loans in this classification and on client accounts in which your aggregate net investment in one or more classification is more than 3% of the invested capital of your company.

### 1. Loans Secured by Accounts Receivable

#### Column headings to be used

- a. Customers by industries
- b. Gross amount of invoices outstanding
- c. Reserve withheld
- d. Net investment after deducting reserve
- e. Past due accounts — 60 days and over
- f. Number of individual accounts pledged\*
- g. Amount of largest account pledged at statement date\*
- h. Maximum net investment during the period\*

### 2. Factored Accounts Receivable

#### Column headings to be used

- a. Total outstanding at statement date
- b. Highest total outstanding during the period
- c. Largest amount due from 5 individual debtors at statement date
- d. Largest amount due from 5 individual debtors during the period
- e. Total amount of invoices past due 60 days and over

### 3. Loans Secured by Inventories

#### Column headings to be used

- a. Customers by industries
- b. Amount owing at statement date
- c. Brief description of inventory\*
- d. Valuation of inventory pledged\*
  - (1) Based on customer's cost\*
  - (2) Based on finance company appraisal of liquidating value\*
- e. Maximum loan outstanding in period\*
- f. Loans on which less than 10% was paid in last 3 mos. of period (give details on separate sheet)\*

### 4. Plant Machinery and Equipment Loans (Chattels)

#### Column headings to be used

- a. Customers by industries
- b. Brief description of assets pledged\*
- c. Amount owing at statement date
- d. Past due installments 60 days and over
- e. Balances affected by installments past due 60 days or more
- f. Original advance on amount owing at statement date\*
- g. Appraisal value of collateral\*
- h. Amount re-written or extended\*

5. Installment Receivables

Column headings to be used

- a. Customers by industries
- b. Gross outstanding at statement date
- c. Reserve withheld
- d. Net investment at statement date
- e. Installments past due 60 days and more
- f. Balances affected by installments past due 60 days and more
- g. Number of individual accounts at statement date\*
- h. Number of individual accounts re-written\*
- i. Aggregate balances of re-written accounts at statement date\*

6. Rediscounts for other Finance Companies

Column headings to be used

- a. Description of paper rediscounted
- b. Gross balance owing at statement date
- c. Reserve withheld
- d. Net investment at statement date
- e. Direct or indirect collection\*
- f. With or without recourse\*
- g. Past due installments from your clients — 30 days or more
- h. Number of individual accounts pledged

7. Miscellaneous Financing: If you engage in other types of commercial financing, not set forth above please prepare a separate schedule, or schedules, giving all pertinent data.

8. Concentration Schedule

Column headings to be used

- a. Account number (as explained in introductory paragraph)
- b. Loans secured by accounts receivable (net)
- c. Factored accounts receivable
- d. Loans secured by inventories
- e. Plant machinery and equipment loans
- f. Installment receivables
- g. Total net advances at statement date

SECTION III

(This blank space is provided for your use in submitting such additional information as you may wish to make available to your lending banks with respect to credit or operating policies and procedures not covered in the questionnaire.)

The foregoing information, supplementing our financial statement of \_\_\_\_\_  
prepared by \_\_\_\_\_, is submitted for the purpose of obtaining credit.

\_\_\_\_\_  
(Name of Company) By \_\_\_\_\_  
(Title)





## SALES FINANCE COMPANY QUESTIONNAIRE

NOTE: In submitting this questionnaire with financial statements, please ascertain that identical terminology is used and that all figures in each are in agreement. Figures in schedules should be stated to the nearest dollar. If the information requested is already included in audit report, it need not be duplicated herein.

Name and Address of Company \_\_\_\_\_

Submitted as of \_\_\_\_\_ covering the period from \_\_\_\_\_ to \_\_\_\_\_

1. If Direct Cash Lending or Commercial Financing operations are engaged in, complete the separate Direct Cash Lending Questionnaire (R.M.A. Form No. C 120-Rev. '66) and/or Commercial Financing Questionnaire (R.M.A. Form No. C 121 Rev.), eliminating duplicate schedules.
2. In schedules C, D, G, H, & L submit, as a minimum, separate information for each class of receivable which represents 10% or more of total consumer retail notes and contracts outstanding and for any other class or classes of receivables which are significant in your portfolio.
3. Does this report include operations of subsidiary or affiliated companies? \_\_\_\_\_. If so, list below the names of any subsidiary or affiliate which has been financed other than by advances from the reporting company, the outstanding capital and percentage of ownership of each and amount and description of outside financing.
4. Is any financing done for concerns in which officers, stockholders, directors of company or their families have a direct or beneficial interest? If so, give details.

APPENDIX O (Continued)

SCHEDULE A  
VOLUME OF BUSINESS FOR THE PERIOD AND OUTSTANDINGS AT END OF PERIOD:

(Under Consumer Retail Notes and Contracts if the classification "OTHER" represents 10% or more of total Consumer Retail Notes and Contracts outstanding, please detail.)

1. CONSUMER RETAIL NOTES AND CONTRACTS	VOLUME	OUTSTANDINGS END OF PERIOD
Automobile New (From Dealers)		
Automobile Used (From Dealers)		
*Automobile New (Direct)		
*Automobile Used (Direct)		
Appliances and Furniture		
Mobile Homes New		
Mobile Homes Used		
Home Improvement		
Other		
Bulk Purchases		XXXXX
TOTALS		
2. WHOLESALE		
3. DIRECT CASH LOANS		
4. COMMERCIAL LENDING AND MISCELLANEOUS FINANCING		
TOTAL - ALL CLASSIFICATIONS		

\*This category should be limited to Direct Loans for automobile purchases. If these are included in Direct Cash Loans, please indicate. Do not include in both places.

# PENDIX O (Continued)

## SCHEDULE B – RESERVE FOR LOSSES RECONCILIATION – (excluding dealers participating reserves).

BALANCE BEGINNING OF PERIOD	
ADDITIONS:	
Appropriations From Surplus	
Appropriations From Income	
Appropriations From Deferred Income or Finance Charges	
Recoveries	
Other Credits (Detail) _____	
TOTAL ADDITIONS	
DEDUCTIONS:	
Losses Charged Off	
Transferred to Other Reserves (Specify)	
Transferred to Income	
Other Charges (Detail) _____	
TOTAL DEDUCTIONS	
BALANCE END OF PERIOD	

1. Indicate how provision for and balance of Reserve for Losses is determined. For example: Percentage of Volume, Percentage of Outstandings, Flat Allocation from Income, etc.

2. Indicate any portion of this reserve which is tax paid.

APPENDIX O (Continued)

SCHEDULE C – LOSS EXPERIENCE FOR PERIOD

Any class of receivables which accounts for 10% or more of Consumer Retail Notes and Contracts Outstanding or which is significant in your portfolio should be detailed separately. All others may be included in one column. Add additional columns if necessary.

	WHOLESALE	CONSUMER RETAIL NOTES and CONTRACTS		
		AUTOMOBILE		
Outstanding beginning of period				
Volume for period				
Notes Purchased (Bulk-Face Amt.)				
1. TOTAL				
LESS:				
Outstanding end of period				
Notes Sold (Bulk-Face Amt.)				
Notes Charged Off*				
2. TOTAL				
3. Liquidation 1. minus 2.				
Notes Charged Off*				
Less-Recoveries				
4. Net Losses				
% Net Losses to Liquidation 4. divided by 3.	XXX			
% Net Losses to Mo. Av. Outstanding (On Annual Basis)		XXX	XXX	XXX

\*For purposes of this schedule, Notes Charged Off should be computed if possible Net of Unearned Charges. If gross figures are used, please indicate.

Indicate amount of claims against Bonding Companies which are carried as Assets.

\$ \_\_\_\_\_



## PENDIX O (Continued)

### SCHEDULE C – Continued

#### CHARGE OFF POLICY

1. Discuss in detail, your charge off policy for each class of receivable. Include in this but do not limit to:
  - a. After what period of delinquency is an account charged off?
  - b. How often are charge offs made? Monthly \_\_\_\_\_, Quarterly \_\_\_\_\_, Semi-annually \_\_\_\_\_, Annually \_\_\_\_\_, If other, explain.
2. What is your charge off policy on:
  - a. Deficiency balances
  - b. Judgment accounts
  - c. Bankruptcy accounts other than Chapter XIII
  - d. Chapter XIII Bankruptcy accounts

What is the amount of all of the above carried as current assets \$ \_\_\_\_\_

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### SCHEDULE D – DEALERS RESERVES

1. Dealers which have Reserve Debit Balances not charged off:

Number \_\_\_\_\_ Amount \$ \_\_\_\_\_
2. How frequently are Dealer Reserve Debit Balances charged off?
3. Dealer Reserve Debit Balances charged off during period:

Number \_\_\_\_\_ Amount \$ \_\_\_\_\_

To what accounts are such balances charged?

NOTE – See Item 2 on Page 1.

APPENDIX O (Continued)

SCHEDULE E – BORROWINGS

NOTE: Attach schedule showing available Bank Lines at statement date and name of Broker handling sale of Open Market Paper.

Specify Secured or Unsecured	*Maximum Amount	*Minimum Amount	Owing at Statement Date
**Bank Loans under lines of credit			
** Open Market Borrowings			
**Other Current Loans			
Maturities of unsubordinated term debt due within one year	XXXX	XXXX	
Maturities of subordinated term debt due within one year	XXXX	XXXX	
Long term debt – not subordinated			
Long term debt – subordinated			

\* As determined by month end balances during the period.

Maximum total short term borrowings at any month end during the period: (All sources marked \*\* above)

\$ \_\_\_\_\_ Date \_\_\_\_\_

Have any receivables been sold (with or without recourse) during period? Specify amount and furnish details.

State policy regarding coverage of open market borrowings by unused bank lines.

Are any borrowings endorsed or guaranteed? Give details and amount.

Are any bank lines available for use directly by subsidiaries, affiliated companies or parent company.

SCHEDULE F - MONTHLY MATURITIES OF INSTALMENT RECEIVABLES OUTSTANDING AT STATEMENT DATE

MONTH GROUPINGS	TOTAL INSTALMENT RECEIVABLES	CONSUMER RETAIL NOTES AND CONTRACTS	DIRECT CASH LOANS			OTHER INSTALMENT LOANS
			PRECOMPUTED & DISCOUNT BASIS	INTEREST BEARING		
				PRINCIPAL	INTEREST	
Past Due						
1-6						
7-9						
10-12						
13-15						
16-18						
19-24						
25-36						
37-48						
49-60						
Over 60						
TOTALS						

NOTE: Totals above (excluding INTEREST column) should agree with respective totals in balance sheet.

Please indicate amount of non-instalment receivables in portfolio.

\$ \_\_\_\_\_

SCHEDULE G - DEFERRED INCOME

Answers to the following questions should be furnished on a separate page titled "Schedule G."

For the purpose of this schedule, the term finance charge shall be defined as: "The difference between the face amount of a contract and the related amount advanced by the finance company (including, as part of this advance, insurance premiums and dealers' reserves)."

1. Is any portion of the finance charge taken into income when the contracts are purchased? If answer is Yes, describe the exact basis for determining the portions taken directly into income, and if more than one basis is used, describe each basis and type of business for each basis.
2. Is any portion of the original finance charge transferred to accounts other than income or deferred income? If answer is Yes, describe the accounts credited (such as loss reserves, or direct offsets to expenses) and the basis on which the amounts are transferred.
3. Is any portion of insurance premium taken into income as commission or otherwise when contracts are purchased? If answer is Yes, describe the exact basis for determining the portions taken directly into income, and if more than one basis is used, describe each.

APPENDIX O (Continued)

SCHEDULE G – Continued

For the following questions, please indicate whether the deferred income is accounted for separately by class of receivable or in the aggregate for all receivables.

- 4.a. What are basic methods used in accounting for deferred income (sum of digits, liquidation, straight line or fixed percentage of outstanding)? Are procedures applied on an accrual or collection basis?
- b. If sum of digits or straight line methods are used, are new charges inventoried on an account by account basis, spread over actual term by age group or spread over average term by group? If spread over average term, indicate number of months used.
- c. If sum of digits or straight line accrual methods are used, do transfers to income commence in month of acquisition or month following month of acquisition?
- 5. To what account(s) are rebates charged? If sum of digits or straight line methods are used on groups of accounts, are rebates spread over actual terms or some average term? If spread over average term, indicate number of months used.
- 6. Are extension fees, late charges, etc. handled on an accrual basis or collection basis? Are these items credited to income or deferred income? If deferred income is handled on accrual basis, are the charges rescheduled to reflect extensions?

CONSUMER RETAIL NOTES AND CONTRACTS  
(Schedule A, Category 1)

- A. Total Finance charges on new contracts acquired and loans made during period
  - 1. Dollar amount credited to deferred income
  - 2. Dollar amount taken directly into income or credited to other accounts
- B. Face amount of related receivables acquired
- C. Dollar amount of deferred income at end of period
- D. Dollar amount of related gross receivables at end of period
- E. Percent of deferred income to related gross receivables

RETAIL AUTO		

NOTE: See Item 2, Page 1 with regard to each column above. If this schedule does not include direct precomputed loans, indicate where this information is available.



PPENDIX O (Continued)

SCHEDULE H - ANALYSIS OF CONSUMER RETAIL NOTE AND CONTRACT VOLUME FOR THE PERIOD -  
PURCHASED AND DIRECT (Excluding Demonstrators) (000 omitted)

1. AUTOMOBILES

NEW UNITS - Cash advanced as a percentage of dealer cost\*

	36 MOS. OR LESS	OVER 36 MOS.	BALLOON PAPER	TOTALS
100% or Less				
101 - 110%				
Over 110%				
TOTALS				

USED UNITS - (Late model, current and two preceding years) Cash advanced as a percentage of used car guide  
wholesale value\*\*

	30 MOS. OR LESS	OVER 30 MOS.	BALLOON PAPER	TOTALS
100% or Less				
101 - 110%				
111 - 120%				
Over 120%				
TOTALS				

USED UNITS - (Older models than above) Cash advanced as a percentage of used car guide wholesale value\*\*

	24 MOS. OR LESS	OVER 24 MOS.	BALLOON PAPER	TOTALS
100% or Less				
101 - 110%				
111 - 120%				
Over 120%				
TOTALS				

\*Dealer cost may include invoice plus applicable freight charges, taxes and license fees. Cash advanced must exclude  
finance and insurance charges.

\*\* Please state reference book or books used.

APPENDIX O (Continued)

SCHEDULE H – Continued

2. MOBILE HOMES

Prepare a schedule similar to the automobile schedule showing the following information as to New and Used separately.

Advances – For new only: 100% or less, 101% – 110% and Over 110%

Terms: New – 1-60 months, 61-84 months, and Over 84 months.

Used – 1-60 months and Over 60 months.

3. OTHER CLASSES

Similar information on terms (not advances) should be submitted with respect to each class of retail notes and contracts outstanding which constitutes 10% or more of total retail notes and contracts outstanding. Terms used should be typical for each class of receivable.

NOTE: In preparing the schedules in this section, it is understood that a delayed first payment of 50 days or less will not be considered an extra month in determining terms.

SCHEDULE I – WHOLESALE:

1. ANALYSIS OF WHOLESALE LOANS TO DEALERS

Classification	WHOLESALE		
	MAXIMUM OUTSTANDING AT ANY MONTH END DURING PERIOD	AMOUNT OUTSTANDING AT STATEMENT DATE	AMOUNT OUTSTANDING* 6 MONTHS OR OVER
Automobile – New			
Automobile – Used			
Mobile Home – New			
Mobile Home – Used			
Other – Detail			
TOTALS	XXX		

\* From Date of Original advance.

# APPENDIX O (Continued)

## SCHEDULE I - Continued

### 2. DEALER WHOLESALE CONCENTRATIONS:

List five largest dealer wholesale concentrations at STATEMENT DATE. Indicate any capital loans to these dealers, but do not include capital loans in determining concentrations.

NOTE: If the same dealer appears in Schedules I, J and/or K, the same letter designation should be used for each dealer in all schedules.

DEALER - Identify by Letter and type of business	Wholesale Outstanding		Wholesale Outstanding Over 6 Mos.	Capital Loans
	End of Period	Maximum at any Month End During Period		
TOTALS		XXX		

## SCHEDULE J - CAPITAL LOANS TO DEALERS

Number \_\_\_\_\_ Amount \$ \_\_\_\_\_

Itemize five largest capital loans to dealers showing type of dealer, amount, description of collateral and program for liquidation of each.

APPENDIX O (Continued)

SCHEDULE K – DEALER RETAIL CONCENTRATIONS

List five largest dealer retail concentrations based on outstandings at statement date.

DEALER – Identify by Letter and type of business		Volume Purchased During Period	Outstanding at Statement Date	Balances * Past Due 60 Days or more	Dealer Reserve Held	Repurchase Recourse or Non- Recourse
TOTALS						

\*Unpaid balances of accounts with instalments past due 60 days or more on same basis as shown in Schedule L.

SCHEDULE L – ANALYSIS OF ACCOUNTS WITH INSTALMENTS PAST DUE 60 DAYS OR MORE FROM DUE DATE.  
(Based on terms in effect at statement date)

If Automobile – Direct is not shown below include in Direct Cash Lending Questionnaire (R.M.A. Form No. C 120 Rev. 66)

CONSUMER RETAIL NOTES AND CONTRACTS	BALANCES	% of Related Receivables Outstanding
Automobile – Dealer		
Automobile – Direct		
Other (Detail)		
TOTAL		

NOTE: See Item 2 – Page 1.

1. Total balances of accounts extended, revised or rewritten during the period, without change of obligor, based on gross balances at the time of extension, revision or rewrite.

Extensions and Revisions \$ \_\_\_\_\_

Rewrites \$ \_\_\_\_\_



# PPENDIX O (Continued)

## SCHEDULE L – Continued

2. Define rewrite as the term is used in your company.
3. Define extension and revision as the terms are used in your company.
4. State your policies as to extensions, revisions and rewrites including but not limiting to:
  - (a) The number of full payments required before a contract can be extended, revised or rewritten.
  - (b) The number of extensions, revisions or rewrites permitted during the life of a contract.
  - (c) At what level of management are extensions, revisions or rewrites granted or approved.
5. What portion of a full payment must be received for an account to be considered current?
 

How many full payments or what portion of a full payment must be received for the purpose of taking an account off the delinquent list?
6. If any receivables were purchased in bulk during the period, were these receivables considered as current at the time of purchase or are such accounts aged and recorded above according to their actual degree of delinquency?

## SCHEDULE M – RETAIL REPOSSESSIONS

COMPANY OWNED REPOSSESSIONS	INVENTORY AT PREVIOUS YEAR END		REPOSSESSED DURING THE PERIOD		INVENTORY STATEMENT DATE	
	UNITS	AMOUNT	UNITS	AMOUNT	UNITS	AMOUNT
Automobiles						
Mobile Homes						
Other						
DEALER RECOURSE OR REPURCHASE REPOSSESSIONS						
Automobiles						
Mobile Homes						
Other						
TOTAL						

On what basis are repossessions valued?

APPENDIX O (Continued)

SCHEDULE N -

Attach auditors certificate of compliance with restrictive covenants contained in your long term debt agreements relating to the maintenance of certain financial ratios and other financial conditions.

What is your Fidelity Bond coverage?

\_\_\_\_\_

The foregoing information, supplementing our financial statement of \_\_\_\_\_  
prepared by \_\_\_\_\_, is submitted for the purpose of obtaining credit.

\_\_\_\_\_ By \_\_\_\_\_  
(Name of Company) (Title)

PLEASE NOTE: The borrower is invited to submit any other pertinent information which would be of interest to the lender.

# APPENDIX P

**Submission of  
The Trust Companies Association  
of Canada**





## APPENDIX P

SUBMISSION  
TO THE ROYAL COMMISSION ON  
ATLANTIC ACCEPTANCE CORPORATION LIMITED

TO: The Honourable Mr. Justice S.H.S. Hughes,  
Commissioner

The Trust Companies Association of Canada is pleased at this opportunity of placing before you its views relating to the loan and trust corporation legislation of the Province of Ontario. Appended is a copy of the Association's submission to the Study Committee of the Province of Quebec, which submission describes the Association fully.

Since the appointment of the Commission in August 1965 there have taken place important developments related to loan and trust corporations by way of amending and new legislation designed to give additional and more effective protection to the public who lend or entrust money to them. Of paramount importance are changes in the Loan and Trust Corporations Act of Ontario and the legislation setting up Deposit Insurance enacted by Canada, Ontario and Quebec.

With respect to the Loan and Trust Corporations Act of Ontario, these amendments were:

1. New and drastic liquidity requirements.
2. The prohibition against the exercise by a loan corporation of borrowing powers conferred by the Act unless

the corporation has subscribed capital stock that is paid-up and unimpaired of at least \$100,000 was increased to \$500,000.

3. The amendment to the provision limiting the amount of investment and loan which a corporation may make in any one company by making the provision applicable to any one company or in associated companies.
4. The requirement of more frequent liquidity returns to the Registrar.
5. The former provision for the purpose of the incorporation of a loan or trust corporation required a subscribed capital of \$300,000 paid in cash to the extent of \$50,000. This was increased to \$500,000 in both cases.
6. A trust company not registered on January 1, 1966 cannot be registered unless it has a capital paid-in and unimpaired of at least \$500,000.
7. The prohibition against loans to directors or auditors, their spouses and children or to a company where more than one-half of the shares of the capital stock of the company are owned by a director or auditor of the corporation or by the spouse or a child of such director or auditor, or by any combination of such persons.

The Association was in favour of these amendments and in fact

sponsored some of them. There is one exception to this statement and that is the inclusion of municipal securities as part of the liquidity reserve. This inclusion was opposed before the Committee of the Legislature which dealt with the Bill on the ground of lack of ready marketability in large amounts, but this opposition was not successful.

The Association submits that the amendments above described have reinforced what was already good and workable legislation for the protection of the public which places its money with loan and trust companies, a legislation which has been in force for many years and which has successfully stood the test of time.

Two additional amendments would seem to be desirable to round out the protective features of the Act. These are:

- (a) A section similar to 71(1) should be enacted for application to trust companies to prohibit borrowing and the acceptance of deposits or money for guaranteed investment, where the trust company does not have a subscribed capital stock paid-up and unimpaired of at least \$500,000.
- (b) Section 82a enacted in 1965 limits the amount of deposits and money received for guaranteed investment by a trust company in relation to unimpaired paid-in capital and reserve. It appears that it was intended that the prescribed limit be applicable to the aggregate of borrowings, deposits and money received for guaranteed

investment. The section should be amended to correct the omission of borrowings.

From time to time over many years views have been expressed that the Act should be re-written. Among the reasons advanced for these views have been that many of its provisions are out-dated in that they are based on the concept of building and loan societies, which societies have ceased to operate and be incorporated long ago; that there is some conflict between some sections; that some sections are obscure in meaning and that some of its provisions are of doubtful constitutional validity. The Association has no quarrel with these views. At the same time the Association maintains that the Act works well in practice and that its faults as described above do not detract from the effectiveness of its provisions for the protection of the public.

The Association has given consideration to the advisability of a re-write of the Act being undertaken at this time. It concluded that such a re-write would be premature and ill-advised. Its reasons for this conclusion follow.

Arising from the difficulties experienced by some companies and individuals engaged in finance generally and the resultant loss to the public, the advisability of legislation providing for the supervision of such companies and individuals has been the subject of discussion in legislative and government circles. At the request of Quebec, the Federal government called a Federal-Provincial Conference on Financial Institutions. The subject proved to be



too large and complex for the Conference and a continuing Federal-Provincial Committee was established for further consideration. The Committee members are officials but the Ministers involved propose to meet from time to time as well. A Sub-committee is engaged presently in studying loan and trust company legislation. While the results of all this cannot be anticipated, there is already evidence of hope on the part of the participants that their discussions will lead to a considerable degree of uniformity.

The Province of Quebec has established a Study Committee whose functions include the consideration of loan and trust corporation legislation and the operation of such corporations in that Province.

Carrying on business in Ontario are loan and trust corporations incorporated by Canada, Ontario and other provinces. Some of these corporations operate in a number of provinces involving grey areas of constitutional jurisdiction and day to day practical operational problems. In the Association's view, it is desirable that a large measure of uniformity in legislation and its practical application be brought about as between Canada and its provinces and as between the provinces themselves. Thus, the Association believes that a re-write of the Ontario Act should await the results of studies in progress.

There can be no doubt that loan and trust corporations perform useful and important functions to the advantage of the public. The Association submits that these corporations should not be impeded

in the performance of these functions by the application of legislation, rules and regulations restricting or preventing management from making investment and other decisions with necessary dispatch or restricting unreasonably the range of permissible loans and investments. Loan and trust corporations are gatherers of savings in competition with other institutions. The Association further submits that these corporations should not be unduly impeded or restricted in their attraction of funds from the public.

Through its revision of the Bank Act, Parliament extended the powers of the chartered banks, the largest and most powerful competing force in finance generally. The Association has made representations to the Minister of Finance in Ottawa urging that, in order to restore competitive balance, the powers of federal loan and trust corporations should also be extended. These representations are presently receiving consideration. The requested amendments are:

1. To empower trust companies to obtain funds by borrowing through the issue of debentures.
2. To set the limit of borrowing power of trust companies, including deposits and money received for guaranteed investment, at twenty times unimpaired paid-up capital and reserve. The same limit of twenty times would apply to loan companies in respect of deposits and other forms of borrowing.

3. To empower loan and trust companies to make loans not eligible under existing legislation, subject to adequate limit.
4. To qualify for investment by loan and trust companies securities having the same attributes as make them eligible for life insurance companies.
5. To permit real estate and foreign subsidiaries subject to prescribed conditions.

The provinces have been informed of these requested amendments. The Association is hopeful that its representations will receive favourable consideration in Ottawa and that legislation will be proceeded with at the next session of Parliament. It is also hopeful that the provinces will give the same powers to their own incorporations, simultaneously if possible.

The Association will be pleased to be of whatever additional assistance it can.

Respectfully submitted,



E. F. K. Nelson  
Executive Director.

October 1967

## APPENDIX P (Continued)

TO: The Chairman and Members of  
the Quebec Study Committee  
on Financial Institutions

Gentlemen:

The Trust Companies Association of Canada is grateful for the opportunity of making this submission to the Study Committee.

### The Association

Trust companies' associations were formed in 1932 in Ontario and Quebec and subsequently similar associations were formed in other provinces. In 1952, these provincial associations became parts of a national organization, The Trust Companies Association of Canada.

The Trust Companies Association of Canada is a voluntary organization. It makes recommendations to its member companies which they are free to accept or reject. While it does not represent either all trust companies or all loan companies, its membership does represent the great bulk of business done by such companies in Canada.

The Association now maintains sections in nine provinces. In Prince Edward Island a committee performs the section function in a more informal way.

The Association has three classes of membership. Twenty-three trust companies are regular members and ten are provisional members. Provisional membership was introduced in 1962, when new trust companies began to appear in numbers.

When the Dominion Mortgage & Investments Association ceased to function in mid-1966, the loan company members of that organization were invited to accept associate membership, pending a



more permanent arrangement. The eight loan companies involved have accepted this invitation. A list of the membership of the Association is attached as an appendix to this submission.

#### The Industry in Canada

Trust companies are incorporated by Parliament or by the Provinces. Where incorporation is by the latter, authority is given to operate within the province of incorporation and elsewhere to the extent permitted by the laws in force where the authority to operate is sought.

There are in Canada some 55 trust companies doing business with the general public. The following shows the distribution of these by incorporation:

Federally incorporated	7 companies
Prince Edward Island	1 company
New Brunswick	1 company
Nova Scotia	2 companies
Quebec	12 companies
Ontario	18 companies
Manitoba	3 companies
Saskatchewan	2 companies
Alberta	7 companies
British Columbia	<u>2</u> companies
TOTAL	55 companies

In addition to the above, there are a few trust companies of specialized nature which, by choice, do not carry on business with the general public. These companies, however, come under the same legislation and supervision and their assets and liabilities are reflected in official reports of the industry.

There are also several companies which have obtained charters within the last year, but which have not yet begun operations.

One of these holds a federal charter, the remainder are of provincial incorporation.

The number of companies in the industry has increased considerably in the past few years, with about 20 of the 55 mentioned having been incorporated in 1962 or later. All of these new incorporations are provincial.

Including head offices, the industry now operates about 500 offices open to the public for the transaction of business.

Trust companies are companies authorized to act as tutor, curator, liquidator, receiver, sequestrator, testamentary executor, trustee, bailee, administrator, assignee, auditor, guardian, judicial adviser, custodian, attorney or agent for the transaction of business of all kinds and for the management of estates, etc., investing and management agent, and to accept, fulfill and execute all legal trusts which may be assigned to them by any person, corporation, government or court of justice. (see Quebec, Chapter 287, section 2, par. 7; Ontario, Chapter 222, section 77 and Canada, Chapter 272, section 63, as examples of empowering legislation.) In carrying out these activities, trust companies have placed in their hands sundry assets, including money, securities and property of all kinds under many separate legal instruments describing the arrangement between the owner of the assets and the company and specifying the duties and responsibilities of the company in the management and administration of such assets. These duties and responsibilities are undertaken by the trust company for a fee. The company has no propriety interest in such assets. These assets are usually referred to as the Estates, Trusts and Agencies accounts.

Trust companies are also authorized to accept money by way of deposits and of money for the purpose of its being invested by the company identified by the issue of various types of certificates or receipts. These moneys are trust moneys and are guaranteed by the

company as to their return and as to the payment of interest at a stated rate as may be agreed upon. These moneys and the assets arising from their employment are required to be segregated and kept apart from other moneys and assets administered by the company and from the company's own funds and are usually referred to as the Guaranteed Funds.

Trust companies employ their capital and retained earnings, generally referred to as the Company's Own Funds.

At the end of 1965, the 33 regular and provisional members of the Association, being 6 Federal incorporations, 8 Quebec incorporations and 19 provincial, other than Quebec, incorporations administered assets valued at: -

	(\$ thousands)
Company's Own Funds	233,697
Guaranteed Funds	<u>2,979,287</u>
	3,212,984

Estates, Trusts and Agencies 12,367,669

Thus, these members of the Association do in excess of 96 per cent of the business done by Canadian trust companies.

It will be apparent from the tabulation which follows that the Association's members incorporated by Quebec are a major factor in the Canadian trust company industry.

	(\$ thousands)		
	<u>Quebec Incorporations</u>	<u>Federal Incorporations</u>	<u>Provinces other than Quebec Inc.</u>
Company's Own Funds	72,831	78,983	81,883
Guaranteed Funds	<u>926,726</u>	<u>1,037,037</u>	<u>1,015,524</u>
	999,557	1,116,020	1,097,407
	<u>          </u>	<u>          </u>	<u>          </u>
Estates, Trusts and Agencies	7,521,810	3,086,834	1,759,025

Two of these companies rank first and second in point of size of assets under administration in the industry and do business in every province. Thus it is that the corporate powers granted to its incorporations by Quebec are a matter of great concern and should not be disturbed unduly without the gravest of reasons.

There are four member trust companies, incorporated by the Province of Quebec, which maintain a total of 43 branches in other provinces. Member trust companies, incorporated by the Province of Quebec, maintain 24 branches in that Province.

There are seven member trust companies, incorporated either by Parliament or by provinces other than Quebec which operate a total of 13 branches in Quebec.

The latest available information indicates that the industry, at the end of 1965, had on guaranteed account the following liabilities:

Deposits and Demand Certificates

Chequable	\$558 million	
Non-chequable	561 "	\$1,119 million
Deposit Receipts and Guaranteed Investment Certificates		<u>1,973</u> "
Total such liabilities		\$3,092 million

At the end of 1965, Estate, Trust and Agency funds under administration by Canadian trust companies were estimated at \$12,587,776,128.

Trust company legislation in Canada deals mainly with the operation of company accounts and guaranteed accounts of the institutions. This is true of the federal Trust Companies Act and the trust company legislation of Nova Scotia, Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. Newfoundland and Prince Edward Island have no trust company legislation and the New Brunswick Act confers



trustee powers only. The laws involved have been concerned mainly with the protection of the depositor and provide for auditing, government supervision and inspection. In New Brunswick, Nova Scotia and Manitoba, by arrangement with the federal Government, the federal Superintendent of Insurance carries out inspection of provincially incorporated companies reporting to the appropriate provincial authorities.

The operations of the Estate, Trust and Agency aspect of trust companies are subject to the general laws of the Province.

While trust company legislation differs in detail and extent, there is a "mélange" of provisions designed to protect the depositor. Included are requirements for capitalization and to prevent the impairment of company funds. Segregation of assets, as between company and guaranteed accounts, is required and details of permissible investments are set forth. Auditing and reporting requirements are normal and liquidity provisions exist in a number of provincial Acts. Limitations are placed on the amount of money which the companies may take on guaranteed account in relation to capital and reserves.

#### The Protection of the Depositor

Aside from sound and prudent company management, which is by far the best guarantee of the protection of the depositor, \*a combination of well designed legislation and effective supervision and inspection is the most useful government contribution to the problem.

Legislation alone cannot provide the solution. There is a point past which it cannot safely go without so restricting the decisions of management as to make successful operation of the institution too difficult.

Legislation in existence, both federal and provincial, ought to be the most helpful starting point for it represents, in its evolution, the development of rules designed to deal with that particularly native institution, the Canadian trust company.

Trust company legislation, however well designed, must fail in its task without the provision of adequate supervisory machinery by government. Again experience in Canada is helpful, for both the federal government and the provinces are involved and the varied histories of their supervisory arrangements offer an opportunity to benefit, both where their practices have been thorough and where they have proved to be wanting.

\* Throughout this memorandum, by the phrase "protection of the depositor" is meant the protection of the depositor and the holder of guaranteed investment certificates or receipts.

The Association does not seek complete uniformity of trust company legislation in Canada. It does seek uniformity or close similarity in certain important respects, both for the protection of the depositor and in recognition of the fact that the operations of a trust company are not necessarily confined to a single province.

Provisions respecting liquidity, authorized investments and loans and the relation of invested capital to total company and guaranteed assets are among the matters in which uniformity would be desirable.

#### Entry to Business

The Association has recommended that all trust company Acts should require a minimum paid-up capital in a substantial amount. In the larger provinces, the Association believes that the minimum paid-up capital should be \$1 million.

In a number of trust company Acts a statutory limit is placed upon the guaranteed account of a trust company. At present the limit is generally fifteen times the amount of unimpaired capital and reserves; we mention this here because use of this device automatically maintains a relationship in the proportions of invested capital and total assets. This subject will be discussed in more detail under another heading.

The Association does not believe that legislation should attempt to set forth any experience or qualification standards for officers or owners of trust companies. The Superintendent of Insurance or equivalent government officer is expected to carefully review the personal and business histories of applicants for charters.

#### Liquidity Provisions

The Association has recommended a specific liquidity provision which now has been incorporated in the trust company legislation of Alberta and Ontario.

This requires a liquidity provision of 20% of the total of demand deposits and obligations maturing or withdrawable after notice in less than 100 days.

- Of this 20% (a)  $\frac{1}{4}$  is to be in cash on hand or on deposit in a chartered bank or in obligations of Canada maturing in not more than 3 years;
- (b)  $\frac{1}{4}$  in obligations of Canada maturing in not more than 10 years; and
- (c)  $\frac{1}{2}$  in obligations of or guaranteed by Canada or its provinces.

Note: It is to be understood that if, in its liquidity provision, a company has more of (a) above than is required, its requirements under (b) and (c) become proportionally decreased. Similarly, if it has more of (b) than required, its provision under (c) is proportionally decreased.

Loans payable on demand and fully secured by any of the above obligations qualify in the same manner as the obligation which secures them.

While the Alberta Act follows the Association formula precisely, the 1966 amendment to the Ontario Loan and Trust Corporations Act, although adopting the proposed liquidity formula, includes municipal

securities in part (c) of the formula. The Association regrets that this addition was made to the formula in amending the Ontario Act because it considers that the exclusion of municipals from the 20% liquidity provision would not result in reducing the purchases of such securities by trust companies, but the change does weaken the effectiveness of the liquidity provision. In the Ontario Act the liquidity provision applies to both loan and trust companies, because the Act applies to both kinds of companies.

In developing its formula for liquidity, the Association considered it to be important to take into account not only deposits which could be required upon demand, but term deposits which could come due for payment within 100 days. This extends the liquidity provision to cover all notice and term deposits and guaranteed investment certificates coming due in less than 100 days. Until guaranteed investment certificates or receipts are within 100 days of maturity, the Association believes that no special liquidity provision is required.

Compliance with the liquidity requirements should be demonstrated by quarterly reports to the regulating authority. In turn it is important that these reports should be processed by that authority with the minimum of delay. The Association feels strongly that a common form of report, with the same filing dates, should be adopted by all authorities to avoid undue burdens on companies operating in a number of provinces.

#### Relation of Invested Capital to Total Assets

One of a number of safeguards employed in trust company legislation in Canada for the protection of the depositor is a limitation on the relation of invested capital to total assets.

Thus the Federal and several Provincial Acts provide limits on the amount of money which may be received by a trust company as deposits and for guaranteed investment. The various Acts differ in detail only in this matter. The Association feels that the provision



in the Ontario Act, plus one factor in the Federal Act, represent the best combination. This might be stated as follows:

The total of the sums of money borrowed and entrusted to the company as deposits and for guaranteed investment shall not at any time exceed an amount equal to the aggregate of its cash on hand or deposited in chartered banks in Canada and of four times the combined amounts of its then unimpaired paid-in capital and reserve, but the Lieutenant-Governor in Council may, on the report of (appropriate authority) and upon such terms and conditions as are prescribed, increase the amount that may be received to a sum not exceeding an amount equal to the aggregate of such cash and twenty times the combined amounts of such capital and reserve.

The multiplier now generally applicable is fifteen. In the above it has been recommended that the multiplier be increased to twenty. The Association subscribes to the concept of a limit to the total amount of liabilities which a trust company may accept from the public, but believes that the limit should be sufficiently substantial to allow for reasonable growth.

All loans and advances by the company to its shareholders on the security of their shares should be deducted from the amount of paid-in capital.

It is important that the regulating authority be able to apply different maxima to individual companies as circumstances warrant. This principle is recognized in the federal and provincial legislation mentioned above.

#### Guaranteed Account

The Association suggests that the Quebec Trust Companies Act should provide clearly for the right of a provincially incorporated trust company and of any other registered trust company that has the capacity to do so to receive deposits of money repayable upon demand or after

APPENDIX P (Continued) - 11 -

notice and to pay interest thereon at such rates and on such terms as the company may from time to time establish. It should be specified that the company is entitled to retain the interest and profit resulting from the investment or loaning of such deposit money in excess of the amount of interest payable to depositors.

It should be further provided that every trust company receiving deposits in the manner described above should be deemed to hold the deposits in trust for the depositors and to guarantee repayment thereof and shall ear-mark and definitely set aside in respect thereof securities or cash and securities, equal to the full aggregate amount thereof. The term "cash" should include moneys on deposit and that of "securities" to include loans made upon securities.

The Association further recommends that the Quebec Trust Companies Act provide clearly for the right of a provincial trust company and any other registered trust company that has the capacity to do so to receive money for the purpose of its being invested by the company and that the company may guarantee repayment of money so received and the payment of the interest thereon at such rate and at such times as is agreed upon.

Such guarantee by the company should not be deemed to be a debenture and the money should not be deemed to be money borrowed by the company by issuing debentures, but to be money received in trust and that in such cases the company is entitled to retain the interest and profits resulting from the investment or loaning of such moneys in excess of the amount of interest payable thereon.

Where it is provided by the agreement under which moneys are received by the company for guaranteed investment as mentioned above, that specific securities shall be allocated in respect thereof, such securities shall be ear-marked and definitely set aside in respect thereof and in respect of all other moneys received for guaranteed investment as mentioned above shall be ear-marked and definitely set

aside in respect thereof securities or cash and securities equal to the full aggregate amount thereof and the term "cash" shall include moneys on deposit and the term "securities" shall include loans made upon securities.

Investment Provisions

All trust company legislation in this country has prescribed authorized investments. In general, the permitted investments vary only in detail and the amendments of recent years show a common concept of appropriate investment.

The investment sections of trust company Acts are among the most important parts of this kind of legislation and the Association is satisfied that the general approach taken by the Acts in Canada has been, and remains, satisfactory, with desirable changes being only a matter of some detail. In the following we attempt to set forth the kind of investments which seem appropriate for today:

- a) Investments authorized for trustees.
- b) Mortgages, charges or hypothecs upon real estate or leaseholds in Canada, providing that the purchase price or investment does not exceed three-quarters of the value of the real estate after deducting the other debts secured on the same real estate and ranking equally with, or ahead of, the company's claim.
- c) Mortgages, charges or hypothecs upon real estate or leaseholds in Canada exceeding three-quarters of the value, if the loan is an approved or insured loan under the National Housing Act, 1954 (Canada) or amendments thereto or under similar provincial legislation.
- ca) Mortgages or assignments of such life insurance policies as have an ascertained cash surrender value admitted by the insurer.

- d) The obligations of or guaranteed by:
  - (1) the Government of Canada,
  - (2) a Province of Canada,
  - (3) the United Kingdom,
  - (4) the United States of America or one of its States,
  - (5) the International Bank for Reconstruction and Development,
  - (6) any municipal or school corporation in Canada,
  - (7) a fabrique.
- e) Bonds or similar obligations of a company or bank that are secured by a mortgage or hypothec to a trust company upon real estate or other assets of such company as are mentioned in (b), (c), (ca), (d) and (fa).
- f) Bonds or debentures of a company or institution incorporated in Canada that are secured by the assignment to a trust company in Canada of payments that the Government of Canada or a province has agreed to make, if such payments are sufficient to meet the interest and the principal upon maturity.
- fa) Bonds or similar obligations secured by rates or taxes levied under the authority of the laws of a province on property situated in the province and collectable by the municipalities in which the property is situated.
- g) Obligations or certificates fully secured by equipment of a corporation if the corporation has paid in full the interest on its other debts during the ten years preceding the acquisition of the obligation.
- h) Debentures or other evidences of indebtedness of a corporation, if the common or preferred shares of the



corporation are permissible as investments or if they are fully guaranteed by a corporation whose common or preferred shares are permissible investments.

- i) Guaranteed investment certificates issued by a trust company incorporated in Canada, if at the date of investment the preferred or common shares of the trust company are authorized as investments.
- j) The preferred shares of a corporation if (1) the corporation has paid a dividend in each of the five years immediately preceding the date of investment at least equal to the specified annual rate upon all of its preferred shares, or (2) the common shares of the corporation are at the date of investment authorized as investments.
- k) The fully paid common shares of a corporation that during a period of five years that ended less than one year before the date of investment has either (1) paid a dividend in each such year upon its common shares, or (2) had earnings in each such year available for the payment of a dividend upon its common shares,

of at least 4% of the average value at which the shares were carried in the capital stock account of the corporation during the year in which the dividend was paid or in which the corporation had earnings available for the payment of dividends.

- l) Real estate or leaseholds for the production of income in Canada, either alone or jointly with any other trust or loan company or with any insurance company incorporated in Canada, if
  - (i) a lease of the real estate or leasehold is made to or guaranteed by,

- (A) the government or an agency of the government of Canada or a province or municipality in Canada, or
    - (B) a corporation, the preferred shares or common shares of which are, at the date of investment, authorized as investments,
  - (ii) the lease provides for a net revenue sufficient to yield a reasonable interest return during the period of the lease and to repay at least 85% of the amount invested in the real estate or leasehold within the period of the lease, but not exceeding 30 years from the date of investment, or
- m) Real estate or leaseholds for the production of income in Canada, either alone or jointly with any other trust or loan company or with any insurance company incorporated in Canada, if
- (i) the real estate or leasehold has produced in each of the 3 years immediately preceding the date of investment net revenue in an amount that, if continued in future years, would be sufficient to yield a reasonable interest return on the amount invested and to repay at least 85% of that amount within the remaining economic life-time of the improvements to the real estate or leasehold, but not exceeding 40 years from the date of investment, and
  - (ii) the total investment of the company in any one parcel of real estate or in any one leasehold does not exceed 2% of the book value of the aggregate of the company's own funds and guaranteed funds,

and the company may hold, maintain, improve, lease, sell or otherwise deal with or dispose of the real estate or leasehold, but the total book value of the investments of the company in real estate for the production of income shall not exceed, in the case of its own funds, 5% of the book value of such funds and, in the case of guaranteed funds, 5% of such funds or 25% of the company's unimpaired paid-up capital and reserve.

n) In addition to investments it may make by lending on the security of, or by purchasing mortgages, charges or hypothecs upon real estate, pursuant to the National Housing Act (Canada) or the National Housing Act, 1954 (Canada), or any amendments thereto, a trust company may invest its own funds to an aggregate amount not exceeding 5% thereof and may invest moneys received for guaranteed investment or as deposits to an aggregate amount not exceeding 5% of such moneys, in any other classes or types of investments pursuant to the said Acts, or any amendments thereto, including the purchase of land, the improvement thereof, the construction of buildings thereon and the management and disposal of such lands and buildings.

o) Basket Clause

A company may make investments and loans which are not authorized providing the total does not exceed 15% of the company's unimpaired paid-up capital and reserve, but does not (1) enlarge the authority to invest in mortgages or hypothecs on real estate, to invest in

real estate or lend on the security of real estate, or (2) increase the maximum proportion of shares of a corporation that may be purchased or the prohibition against investing in the company's own stock.

### Limitations

Section 142 of the Ontario Act confines investment in any one security, other than Government, to 15% of own funds and limits investment in one bank or company, maturing in more than one year, including loans, to 15% of own funds and limits such investment maturing in one year or less to the aggregate of 20% of own funds and  $2\frac{1}{2}\%$  of guaranteed funds.

#### 1. On Common Stocks

The Association believes that it should be permissible for a trust company to hold common stocks within the limits of the following formula:

The book value of the investments of a trust company in common shares of capital stock of corporations shall not exceed 25% of the aggregate of company funds and guaranteed funds, providing that not more than 40% of company funds be invested in common stock at any one time.

#### 2. Loans to Directors

There is a prohibition on loans to directors in Section 148 of the Ontario Act and Section 64(3) of the federal Trust Companies Act and in Section 129 of the Alberta Act. In addition, Section 8 of the Quebec Act was amended in 1965 to deal with, among other things, loans to directors.

#### 3. Real Estate for Own Use

A limit of 35% of the company's own funds is placed by the Ontario and federal Acts on the investment in real estate acquired for the company's own use.



Loans

A trust company may lend its own funds and moneys received for guaranteed investment or as deposits on the security of:

- (a) the obligations of or guaranteed by:
  - (1) the Government of Canada,
  - (2) a Province of Canada,
  - (3) the United Kingdom,
  - (4) the United States of America or one of its States,
  - (5) any municipal or school corporation in Canada,
  - (6) a fabrique.
- (aa) bonds or similar obligations secured by rates or taxes levied under the authority of the laws of a province on property situated in the province and collectable by the municipalities in which the property is situated.

Note: The Federal and Ontario Acts include obligations of or guaranteed by the Government of the United Kingdom or any of Her Majesty's self-governing dominions or dependencies. The Canadian and British Insurance Companies Act limits itself to obligations of or guaranteed by the Government of the United Kingdom, its colonies and certain specified countries of the Commonwealth; the Quebec Insurance Act does not include investment in Commonwealth obligations, other than Canadian; Article 981o of the Civil Code mentions only investment in obligations of the United Kingdom.

- (b) mortgages, charges or hypothecs on real estate or leaseholds in Canada if the amount of the mortgage is not more than three-quarters of the value of the property after deducting the other debts secured on the same real estate and ranking equally with, or ahead of, the company's claim.

- (c) mortgages, charges or hypothecs upon real estate or leaseholds in Canada notwithstanding that the amount loaned exceeds three-quarters of the value if the loan for which the mortgage, charge or hypothec as security is an approved or insured loan under the National Housing Act, 1954 (Canada) or any amendments thereto or under similar provincial legislation.
- (d) mortgages or assignments of such life insurance policies as have, at the date of loan, an ascertained cash surrender value admitted by the insurer.
- (e) the obligations of a company or bank that are secured by a mortgage or hypothec to a trust company, either singly or jointly with another trustee upon real estate of such company or bank or other assets of such company of the classes mentioned in (a), (aa), (b), (c) or (d) above.
- (f) real estate or leaseholds in Canada, but the amount of the loan together with the amount of indebtedness under any mortgage, charge or hypothec on the real estate or leasehold ranking equally with, or superior to, the loan shall not exceed three-quarters of the value of the real estate or leasehold.
- (g) real estate or leaseholds in Canada notwithstanding that the amount of the loan exceeds three-quarters of the value of the real estate or leasehold, if the loan is an approved loan or an insured loan under the National Housing Act, 1954 (Canada) or any amendment thereto or under similar provincial legislation.
- (h) Guaranteed investment certificates of a trust company incorporated in Canada, if its preferred or common shares are authorized for investment.
- (i) the company may also make loans on the security of other bonds, debentures, notes, stocks or other securities of any company or bank that are authorized investments,

provided that the market value of the securities on which the loan is made at all times exceeds the amount of the loan by at least 20% of the market value and provided further that the amount loaned on the security of the stocks of any one company or bank does not at any time exceed 10% of the market value of the total outstanding stocks of such company or bank.

A trust company may take personal security as collateral for any advance or for any debt due to the company in addition to the security required by this Act.

#### Existing Powers

It would appear that some Quebec incorporated trust companies operate by virtue of individual charters or special Acts, while others do so by virtue of the Trust Companies Act. It further appears that charters and special Acts may themselves be modified in some respects by that Act. We urge that nothing be done to prevent the continuance of activities carried on by a company where such activity is not barred by the provisions of its charter or its special Act.

#### Interlocking Control

The Association does not feel that a limit should be placed on the amount of stock in a trust company that a single individual or institution may hold. There seems, however, to be no reason why an individual company should not seek the right to limit the percentage of its own shares which may be held by any single individual, company or institution.

#### Deposit Insurance

More than a year ago the Association investigated the possibilities of industry sponsored deposit insurance. For a variety of reasons, including high indicated costs, it was decided that an industry sponsored scheme was not feasible.

Since the bill involved has not been yet introduced in Parliament, the Association has little idea of the details of the federal Government's proposed deposit insurance plan. It feels that it cannot comment intelligently on that proposal until more information is available.

At present we find differences of opinion among the members of the Association as to the merit of deposit insurance. It is indicated that a majority of our members feel that it is neither desirable nor necessary.

#### Conclusion

In this submission the Association has endeavoured to suggest ways in which the Quebec Trust Companies Act should be strengthened and modernized. It is our hope that the Study Committee will find the various recommendations to be helpful in the completion of its own task.

It may be that the Committee will require additional information or assistance and the Association is prepared to co-operate further to the best of its ability.

All of which is respectfully submitted.

The Trust Companies Association of Canada

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E. F. K. Nelson  
Executive Director

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Marcel Faribault  
President

November 18, 1966



APPENDIX P (Continued)

APPENDIX "A"

LIST OF MEMBER COMPANIES OF  
THE TRUST COMPANIES ASSOCIATION OF CANADA

Name of Company	Head Office	Number of Branches*
<u>INCORPORATIONS OF PROVINCE OF QUEBEC</u>		
Compagnie de Fiducie Prêt et Revenu	Quebec, P.Q.	2
International Trust Company	Montreal	2
Fiduciaires de la Cité et du District de Montréal Limitée	Montreal	1
Montreal Trust Company	Montreal	22
(The) Royal Trust Company	Montreal	27
Société d'Administration et de Fiducie	Montreal	5
Société Nationale de Fiducie	Montreal	1
Trust Général du Canada	Montreal	7
TOTAL		67
<u>FEDERAL INCORPORATIONS</u>		
Canada Permanent Trust Company	Toronto	44
(The) Canada Trust Company	London	55
Eastern & Chartered Trust Company	Toronto	36
Guaranty Trust Company of Canada	Toronto	42
Investors Trust Company	Winnipeg	8
(The) Sterling Trusts Corporation	Toronto	4
TOTAL		189

INCORPORATIONS OF PROVINCES OTHER THAN QUEBEC

ALBERTA

North West Trust Company	Edmonton	9
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BRITISH COLUMBIA

(The) Yorkshire and Canadian Trust Ltd.	Vancouver	2
---	-----------	---

MANITOBA

Fort Garry Trust Company	Winnipeg	4
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NEW BRUNSWICK

(The) Central Trust Company of Canada	Moncton	5
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NOVA SCOTIA

(The) Nova Scotia Trust Company	Halifax	7
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ONTARIO

# Crown Trust Company	Toronto	8
Halton & Peel Trust & Savings Company	Oakville	8
Hamilton Trust & Savings Corporation	Hamilton	6
(The) Industrial Mortgage & Trust Company	Sarnia	5
Kent Trust and Savings Company	Chatham	3
(The) Lambton Trust Company Limited	Sarnia	4
(The) Lincoln Trust & Savings Company	Niagara Falls	7
(The) Metropolitan Trust Company	Toronto	1
# National Trust Company, Limited	Toronto	38
Northland Trust Company	Timmins	5
Rideau Trust Company	Ottawa	3
Victoria and Grey Trust Company	Lindsay	25
(The) Waterloo Trust and Savings Company	Kitchener	10
York Trust and Savings Corporation	Toronto	20
TOTAL		170
GRAND TOTAL		426

\* Number of branches includes head offices.

# Member companies, of other than Quebec incorporation, having branches in the Province of Quebec.

Note: The Association maintains an "Associate" class of membership in which the following Mortgage Loan Companies are included: -

<u>Name of Company</u>	<u>Head Office</u>
Credit Foncier Franco-Canadien	Montreal
(The) Royal Trust Company Mortgage Corporation	Montreal
Canada Permanent Mortgage Corporation	Toronto
Eastern Canada Savings & Loan Company	Halifax
(The) Huron & Erie Mortgage Corporation	London
(The) Lambton Loan and Investment Company	Sarnia
Nova Scotia Savings and Loan Company	Halifax
(The) Ontario Loan and Debenture Company	London

## APPENDIX Q

**An Example of the Letters and Cheques  
Sent to New York Stockbrokers Purporting  
to Authorize the Purchase of Shares of  
Racan Photo-Copy Corporation Limited**





APPENDIX Q

SASSOON'S FAR EASTERN TRUST LIMITED

P.O. BOX 824  
NASSAU, BAHAMAS

June 11, 1965.

Shaskan & Co.,  
67 Broad Street,  
New York, New York.

Attention: Sydney Buchman

Reference: QD9-739-049

Gentlemen:

Further to our telephone conversation, this is your authorization to purchase for us at market the following securities:

50 American Telephone & Telegraph (NYSE)  
500 Texas Gulf Sulphur (NYSE)  
1500 Racan Photocopy Corporation Ltd. (Toronto)  
50 General Motors Corporation (NYSE)  
1000 Commodore Business Machines (Montreal)  
500 Jockey Club Limited (Toronto)

We are enclosing our certified cheque payable to you. Please register the above securities in the name of Sassoon's Far Eastern Trust Limited at your convenience. Forward your confirmation to us by mail, stating the above reference number.

Yours truly,

*N. Farmer*  
NORBERT FARMER,  
Vice-President.

NF:dk

SASSOON'S FAR EASTERN TRUST LIMITED  
P.O. BOX 824  
NASSAU, BAHAMAS

PAY TO THE ORDER OF Seventy thousand 70,000 Dollars

ROYAL BANK OF CANADA  
NASSAU, BAHAMAS

No. 7516

**CERTIFIED**  
JUN 11 1965  
R.B.C. NASSAU BAHAMAS

1965

70,000.00

0/s

0/c



# **APPENDIX R**

**Photographs  
of  
Principal Figures in  
Transactions Investigated**







**C. Powell Morgan**

President, Atlantic Acceptance Corporation Limited and subsidiary companies  
Chairman of the Board of Commodore Business Machines Limited and Analogue Controls  
Inc.

Member of the Toronto Advisory Board of British Mortgage & Trust Company  
President, N.G.K. Investments Limited, etc.



**C. Powell Morgan, C.A.**



**Harry Wagman, C.A.**



**William L. Walton, C.A.**

**"THE TRIO"**





**Jack Tramiel**

President, Commodore Business Machines  
(Canada) Limited

Chairman of the Board, Hugo Oppen-  
heim und Sohn Nachf. Berliner Privat-  
bank A.G.



**Manfred Kapp**

Vice-President and Secretary-Treasurer,  
Commodore Business Machines (Canada)  
Limited



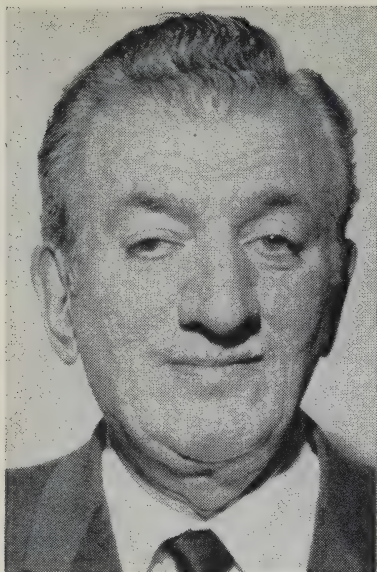
**Allen S. Manus**

President, Molly Corporation and  
Lucayan Beach Hotel Company Limited



**Frank Kaftel**

Publisher, International Financial Advi-  
sory Service (I.F.A.S.)



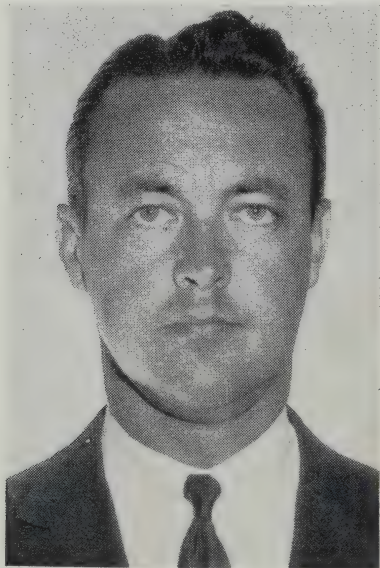
**Neville Levinson**

President, Nevil Enterprises Inc. and  
associated companies



**Eugene Last**

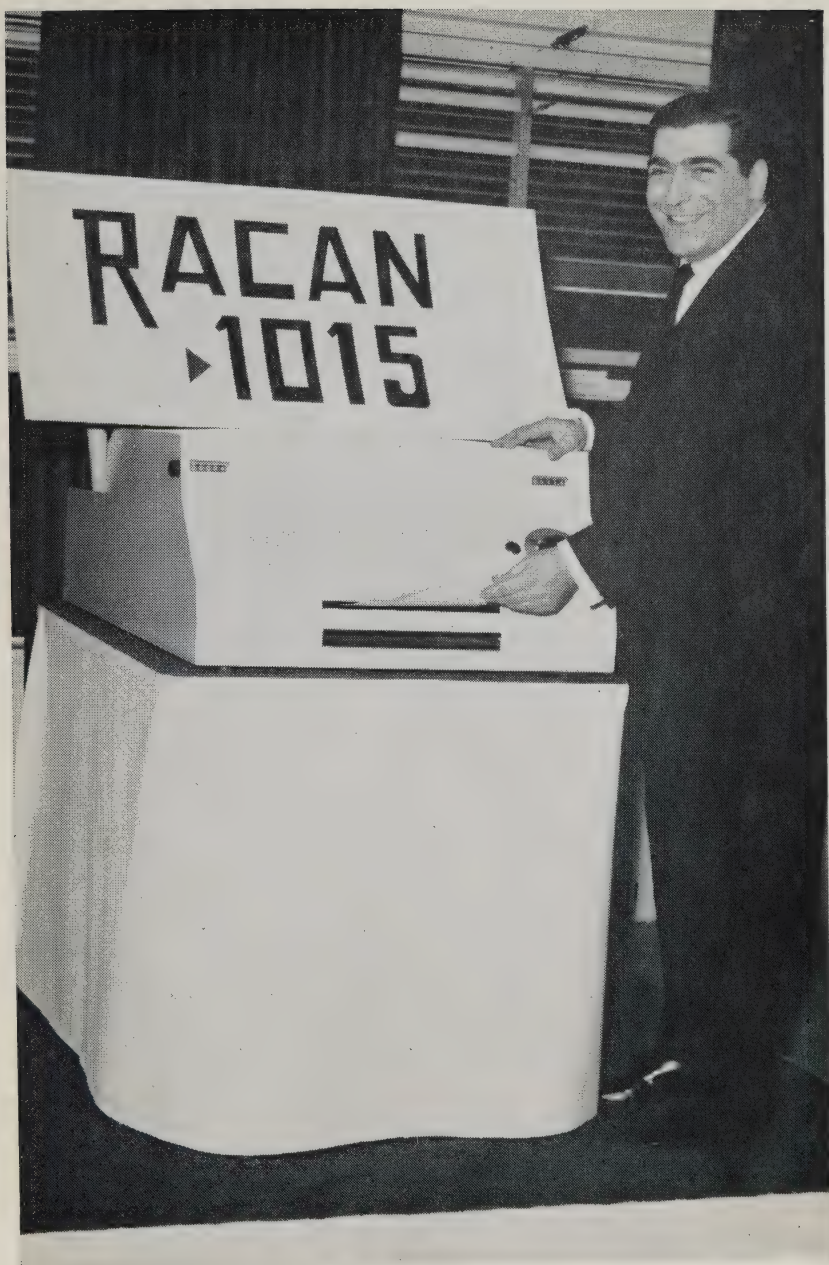
President, Dalite Corporation (Canada)  
Limited and associated companies



**Donald W. Reid**

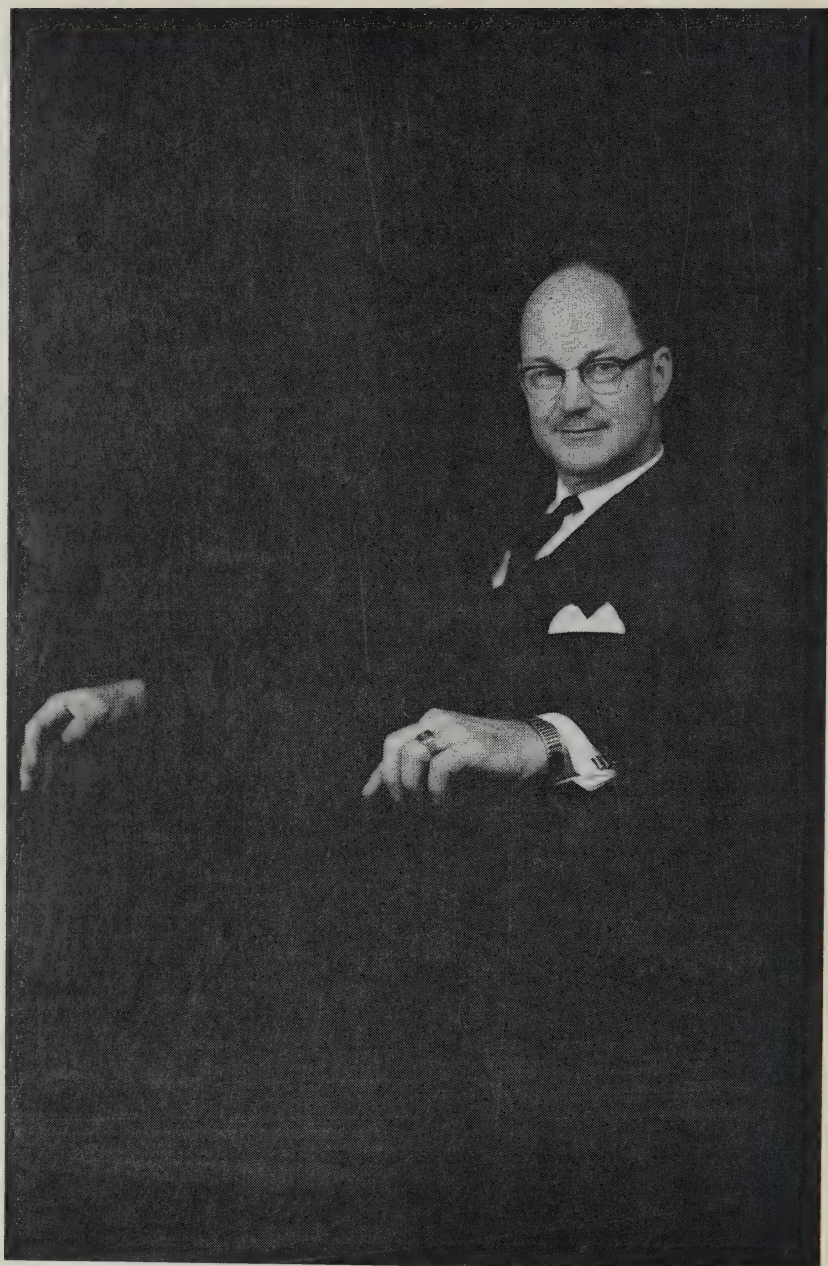
Reid & Associates, Barristers, etc.  
President, Marco Holdings Limited





**Elias Yassim Rabbiah**

President, Racan Photo-Copy Corporation Limited and associated companies



**Wilfrid P. Gregory, Q.C.**

President and Managing Director of British Mortgage & Trust Company  
Director, Atlantic Acceptance Corporation Limited and Commodore Business Machines  
(Canada) Limited

Vice-President, N.G.K. Investments Limited

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1198 4

53















BINDING SECT. MAY 12 1970



